



LETTER FROM THE CHAIRMAN

September 28, 2016

To our valued members:

In the week prior to CSUR's spring AGM, most of you will have received a letter pointing out important changes taking place in our organization over 2016. Today's letter will continue on that theme, pointing out the tangible ways CSUR delivers value and relevance to our members. Please bear those two words in mind as you read further; CSUR's Board and Executive believe that value and relevance are key measures by which members will judge the ongoing merit of their membership.

To recap, our spring letter said:

1. The Board unanimously supported the validity of CSUR's mission as a way of delivering value to CSUR members. By extension we would work to continue CSUR as a viable entity into the future.
2. Members should expect increased communication and engagement.
3. CSUR's events would be focused, targeted and value driven. Multi-themed, multi-day conferences were not and are not grasping the attention of members.
4. CSUR's Board supports an advocacy role consistent with our technologically focused mission statement.
5. CSUR had taken concrete steps to contain costs within its financial limits.

I'll expand on these in reverse order.

Salaries and rent were, and are, CSUR's largest expense items. The measures taken to reduce these expenses earlier in the year have enabled us to operate within our means. Having implemented significant changes and associated one-off expenses our actual expenses are now within budget. The directors and management continue to monitor this closely. Losing experience, skills and resources does not happen without an impact. CSUR has compensated for those losses through additional volunteerism, particularly from the Board, and by increasing the level of communication with the membership. The latter has enabled the management to better prioritize and focus on issues of relevance to our members.

Earlier this year, the Board began exploring a response to poorly informed, and in some cases outright misinformed, journalism. A group of directors took up the question and have developed a concept. In oversimplified terms, we plan to form a panel of experts, primarily drawn from academia and focused on the sciences, who would be available on short notice to respond to media inquiries or rebut poor journalism. At this stage, a concept is developed, a good number of potential panellists have been identified and several have been approached. An initiative like this will require the informed support of members and funding over and above the revenue CSUR derives from membership and events. As such, you may expect that CSUR will be engaging with you over the coming months to provide more details and determine whether or not such an initiative will bring value and relevance to your company.

Our approach to event planning continues to be well supported by the membership: identify a timely, relevant subject, pick a focused topic, and address it thoroughly. The same approach that delivered Montney Innovation Day and the Deep Basin Workshop has in recent months brought BC Day and the Methane Emissions Workshop. In the coming months you can expect: the annual Fall Field Trip (late September), a roundtable session on the employment crisis among energy professionals (early October); a Duvernay Workshop (late October); Saskatchewan Day (late October); and Induced Seismicity (early December). The common thread is that they've been identified through engagement with members and delivered by CSUR's Management with the assistance of members. Unfortunately, the Alberta Day planned for early September had to be deferred and we are hopeful it will take place in early 2017. While on this subject, the monthly Technical Luncheon series fits the same pattern; relevant, focused and at no cost to members. In the future, you can expect that we'll stay the course on events: keep it pertinent, make it brief, and provide good value.

Member engagement and communication is an overarching modus operandi of the Board and Management. Every CSUR deliverable has a clear line of sight back to a member's original challenge, query or interest. That's equally true of all of CSUR's activities including our member events, outreach on behalf of industry and publications such as 2016's [induced seismicity](#) compendium and a reference of [Canadian water regulations pertaining to hydraulic fracturing](#). As mentioned in May, you can expect that we'll continue to seek your views, interests and input to plan the work we do. Indeed, one of CSUR's key strengths is the ability to listen and act upon our members' principle issues of concern and respond to those with events, sessions or publications that encompass our wide umbrella of members. Another key strength is the broad spectrum of membership itself that includes all sectors including E&P, service, financial, consulting, government, regulators and academia. CSUR provides a forum for all facets of unconventional resource development to jointly address common issues and challenges. Within CSUR's environment, government and industry don't merely communicate; they actually collaborate as demonstrated at BC Day. Together, those two strengths of who we are as members and our ability to quickly convene all sectors for collaboration comprise the starting point for delivering relevance and value.

The Board and Management are implementing the 2016 plan and to date the results are consistent with expectations and in a number of instances, better. We're committed to sustaining CSUR as a long term viable entity and we're confident in our plan for the foreseeable future. Thank you for your ongoing participation and I look forward to continue building a vibrant organization.

On behalf of the Board and Executive,
Yours truly,



Wally Kozak
Chairman