

Loss Control

Bulletin

Land Surveyors

Professional Liability Insurance

Measuring Practices on Wellsite Surveys

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Introduction by ENCON

Gordon Webster is a long-standing member of the Canadian Council of Land Surveyors Professional Liability Insurance Committee. As a member of the Committee, he oversees the insurance companies' handling of land surveyors' claims across Canada. Mr. Webster's years of service on the committee and experience as a land surveyor in private practice have given him a unique understanding of the risks faced by land surveyors.

Recently, there have been a number of claims involving wellsite surveys. Mr. Webster and the other members of the Committee are concerned with the possible effect of these claims in terms of compromising the stability of the CCLS Program. Claims of this nature should be of interest to all participants in the CCLS Program. While many land surveyors do not have the opportunity to provide wellsite services, the lessons to be learned from the misfortune of those offering wellsite services can be instructive to all land surveyors.

Mr. Webster offers the following comments in this regard.

What does it cost to drill an oil well? How many surveyors and their staff are aware of what the costs are to their clients, the oil companies, for drilling a well? Several recent claims under the CCLS

Professional Liability Insurance Program have certainly alerted the members of the Insurance Committee to these costs. Modern drilling technology and procedures have increased the average cost of drilling a well to close to half a million dollars. In fact, one of the latest claims made under the Program is for a wellsite location where the claimed amount is in excess of half a million dollars.

What is the average cost of surveying a wellsite? I would estimate it to be less than one-half of one per cent of the cost of drilling a well. Aren't the oil companies getting pretty cheap insurance that their well will be drilled in the correct location? Perhaps land surveyor's fees for wellsite location should more accurately reflect the risk associated with the survey, rather than trying to cut corners in order that the work done will match the fees being charged.

As surveyors, are we monitoring the required standard of care in the completion of wellsite surveys? I wonder if, in the rush to keep pace with the rapidly evolving technology, we have not lost sight of acceptable survey procedures. Modern technology does not eliminate the long-standing requirement for the use of proper survey techniques. While some procedures have evolved with the technology, there are certain survey practices which must never be overlooked.

Before going into the field, surveyors and their staff should understand exactly what is to be done and why it has to be done. There should be a mental review of the various steps involved so that time in the field can be spent completing the survey to the necessary standard of care. No measurement, whether horizontal or vertical, and no calculation, no matter how simple,

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should be regarded as correct until it is verified independently. As far as practical, the method of verification should differ from the original method of measurement and calculation. It is a fact of life that all persons and procedures are liable to make mistakes. Hopefully, by following proper procedures, these mistakes can be kept to a minimum.

Recently, the insurers and the Professional Liability Insurance Committee have seen a noticeable increase in claims resulting from incorrect wellsite surveys. These claims have a major effect on the Program because of the dollar amounts being claimed. The majority of these claims are attributable to a lack of proper care in verifying original measurements and calculations, using an independent method.

Every survey is a problem in itself. The surveyor must determine the limits of precision which are required. Their decision must be based on their own experience and judgment and the experiences of others. The best surveyors are not the ones who are extremely precise, but those who complete their survey with sufficient precision to serve its purpose without over-exposure of liability or wasting of time and money.

Let us not jeopardize the CCLS Professional Liability Insurance Program by losing sight of long-established survey principles and standards of care. Modern technology does not replace the need for independent verification and common sense.



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