

ENERPLUS RESOURCES FUND

Form 6-K

March 07, 2003

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**Report of Foreign Issuer pursuant to Rule 13-a-16 or 15d-16
of the Securities Exchange Act of 1934**

FOR THE MONTH OF MARCH, 2003

COMMISSION FILE NUMBER 1-15150

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Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F

Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1)

Yes

No

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7)

Yes

No

Indicate by check mark whether, by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the securities Exchange Act of 1934.

Yes

No

EXHIBIT INDEX

EXHIBIT 1 ENERPLUS ANNOUNCES 2002 YEAR END RESULTS

EXHIBIT 1

FOR IMMEDIATE RELEASE

March 7, 2003

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Enerplus Resources Fund

TSX: ERF.un

NYSE: ERF

ENERPLUS ANNOUNCES 2002 YEAR END RESULTS

Enerplus Resources Fund is pleased to announce the results of operations for the year ended December 31, 2002.

2002 HIGHLIGHTS

Enerplus Unitholders realized a total return of 26.5% in 2002;

Cash distributions paid to Unitholders totaled \$3.32 per unit with an additional \$0.62 per unit retained for debt repayment;

The Fund replaced 181% of its production and increased its established crude oil and natural gas reserves by 6% over 2001 levels, with over 14.9 MMBOE of established reserves added through our successful development program;

Enerplus successfully completed over \$218 million of acquisitions, acquiring reserves at an attractive cost of \$8.22 per established BOE;

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Enerplus continued with its active development program, investing \$141.7 million in development drilling and facility enhancements for 2002, drilling 300 net wells with a 99% success rate;

The Fund successfully maintained production volumes throughout the year with average daily volumes of 62,784 BOE while achieving a decrease in operating expenses of \$0.23/BOE from \$6.09/BOE to \$5.86/BOE;

Enerplus diversified its debt portfolio through the issuance of US\$175 million senior, 12-year amortizing unsecured notes with the proceeds reducing the Fund's bank indebtedness;

Successfully completed the inaugural cross-border equity financing raising over \$200 million to fund acquisition and development activities;

Subsequent to year-end, Enerplus announced plans to internalize its management structure by acquiring all of the outstanding shares of the management company, Enerplus Global Energy Management Company (EGEM), for consideration of approximately \$48.9 million. In addition, EGEM agreed to fix the management fee for the period January 1, 2003 to April 23, 2003 in an amount of \$3.2 million. The proposed transaction will eliminate all management fees effective April 23, 2003. The transaction is subject to Unitholder approval at the annual general and special meeting to be held on April 23, 2003.

Operations Review

During 2002, Enerplus successfully invested \$141.7 million in value creation activities that improved the oil and gas production and recovery in our existing assets. We brought on approximately 11,575 BOE/day of new production at an average cost of \$12,242 per daily barrel and added 14.9 million barrels of new established reserves. We drilled or participated in 300 net wells with a 99% success factor, optimized our core waterfloods, completed 66 land transactions and expanded our inventory of future projects with emerging opportunities in coal bed methane, shallow gas development, oil sands and attractive light oil developments.

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2002 Drilling Activity	Crude Oil Wells		Natural Gas Wells		Dry & Abandoned Wells		Total Wells	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Alberta	50.0	17.0	307.0	239.4	8.0	4.2	365.0	260.6
Saskatchewan	28.0	13.7	28.0	25.2			56.0	38.9
British Columbia								
Total	78.0	30.7	335.0	264.6	8.0	4.2	421.0	299.5

Acquisitions

Enerplus enjoyed a successful year on the acquisition front in 2002 closing \$218.7 million of acquisitions resulting in the purchase of 26.6 MMBOE of established reserves and 7,548 BOE/day of production. Established reserves and production were added at \$8.22/BOE and \$28,970 per BOE/day respectively. These acquisitions replaced 116% of 2002 production and will provide significant low-risk development potential in the future. Enerplus acquired working interests in various oil and gas properties for \$60.6 million. The major property acquisitions include an incremental working interest in the Medicine Hat Glauco operated property for consideration of \$20.5 million and the acquisition of a 16% working interest in Oil Sands Lease #24 (also known as the Joslyn Creek Lease) for \$16.4 million. On October 21, 2002 Enerplus also completed the acquisition of Celsius Energy Resources Ltd. for \$161.4 million.

Acquisition Summary

	Crude oil bbls/day	Natural gas Mcf/day	NGLs bbls/day	Total BOE/day	Total Cost Per Daily BOE
Daily Production*	3,064	25,098	301	7,548	\$ 28,970

*Enerplus received only a partial year benefit of the entire daily production volumes acquired in 2002, depending upon the closing date of each acquisition.

	Crude oil MMbbl	Natural gas Bcf	NGLs MMbbl	Total MMBOE	Total Cost Per BOE
Reserves:					
Proven	7.8	79.3	1.1	22.1	\$ 9.90
Established	10.5	89.0	1.3	26.6	\$ 8.22

Acquisition Subsequent to Year-End:

On March 5, 2003, Enerplus acquired all of the outstanding shares and debt of PCC Energy Inc. and PCC Energy Corp., (collectively "PCC") which are wholly-owned Canadian subsidiaries of US-based PetroCorp Incorporated for cash consideration of \$167.6 million. This transaction provides high-quality, long-life gas assets in large established pools and adds approximately 4,380 BOE/day of production and 17.2 MMBOE of established reserves after adjustments for a royalty arrangement to a third party which is structured as a net profits interest. The properties have an established reserve life index of 10.7 years and 74% of the production is natural gas. Approximately 79% of the value of PCC is concentrated

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in eight properties, which are high quality, long-life, deep-gas properties with drilling potential. The operating costs associated with the PCC assets are approximately \$4.00/BOE. The production and reserves associated with this acquisition will be recorded by Enerplus from March 2003 onward.

Reserves:

Enerplus ended 2002 with a record 330.4 MMBOE of established reserves, up 6% from 2001 and the highest level of reserves achieved in the Fund's history. Acquisition activities, net of dispositions, added 26.0 MMBOE of established reserves with development activities resulting in the addition of 14.9 MMBOE of established reserves, also a record achievement. Significant shallow natural gas reserve additions were realized at Medicine Hat, Hanna Garden, Verger, and Countess while major oil-related reserve additions were achieved at Giltedge, Joarcam, and Gleneath.

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2002 Reserves Summary	Crude oil MMbbl	Natural gas Bcf	NGLs MMbbl	Total MMBOE
Total established reserves as at December 31, 2001	113.7	1,081	18.5	312.4
Proven, producing	94.9	787	14.0	240.1
Proven, non-producing	10.3	215	2.0	48.1
Total proven	105.2	1,002	16.0	288.2
Total probable at 50%	16.7	139	2.3	42.2
Total established reserves at December 31, 2002	121.9	1,141	18.3	330.4

Reserves Reconciliation	Crude oil MMbbl		Natural gas Bcf		NGLs MMbbl		Total MMBOE		Established MMBOE
	Prov.	Prob.	Prov.	Prob.	Prov.	Prob.	Prov.	Prob.	
Reserves at December 31, 2001	94.8	37.6	951.1	260.7	16.1	4.7	269.5	85.8	312.4
Acquisitions	7.8	5.5	79.3	19.5	1.1	0.4	22.1	9.1	26.6
Divestments	(0.6)		(0.2)				(0.6)		(0.6)
Production	(8.5)		(76.8)		(1.6)		(22.9)		(22.9)
Drilling, Development & Revisions	11.7	(9.7)	48.5	(2.6)	0.4	(0.5)	20.2	(10.6)	14.9
Reserves at December 31, 2002	105.2	33.4	1,001.9	277.6	16.0	4.6	288.2		