

FOREST OIL CORP
Form 8-K
May 17, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): **May 13, 2013**

FOREST OIL CORPORATION

(Exact name of registrant as specified in its charter)

New York

(State or other jurisdiction of incorporation)

1-13515

(Commission File Number)

25-0484900

(IRS Employer Identification No.)

707 17th Street, Suite 3600, Denver, Colorado

(Address of principal executive offices)

80202

(Zip Code)

303.812.1400

(Registrant's telephone number, including area code)

Edgar Filing: FOREST OIL CORP - Form 8-K

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

Item 1.01. Entry into a Material Definitive Agreement.

On May 13, 2013, the Compensation Committee (Committee) of the Board of Directors (the Board) of Forest Oil Corporation (Forest) approved Forest's 2013 Annual Incentive Plan (the 2013 Plan), including the performance criteria and specific measures and goals for Forest's executive officers and all other participants. Under the 2013 Plan, any incentive awards will be tied to four performance measures: Production, Reserves Additions, Capital Budget Adherence, Rate of Return on Drilling Capital, and Business Unit and Department Performance Objectives. Each of the performance measures included in the 2013 Plan is tied to a percentage of the participant's target bonus, which is expressed as a percentage of a participant's base salary. In addition to the target level, the 2013 Plan includes completion percentages for a range of performance levels, starting at a minimum threshold level of zero up to an outstanding performance level which is equal to 200% of the target level. Individual awards may be adjusted to reflect individual or team performance.

With respect to the Production and Reserves Additions performance measures, the following economic equivalencies were used: (a) 15-to-1 for oil/condensate to gas and (b) 7.5-to-1 for natural gas liquids to gas.

The 2013 Plan is administered by the Committee and the Chief Executive Officer (for all participant awards other than his own award), although certain administrative aspects of the 2013 Plan will be delegated to the Vice President of Human Resources. The target award percentage for the CEO and other officers of the company is established by the Committee. Any awards to officers under the Plan are subject to the approval of the Committee. Participation in the 2013 Plan is determined by the President and Chief Executive Officer. The Committee is responsible for determining the achievement of any of the completion levels. Any modifications to the 2013 Plan must be approved by the Committee. The Executive Vice President and Chief Financial Officer will verify the performance calculation for the performance and operating measures in consultation with the Senior Vice President, Chief Accounting Officer, Treasurer and Corporate Controller and the Senior Vice President, Corporate Engineering and Technology, who shall be responsible for the estimation of Forest's oil and gas reserves. The Internal Audit Director will be responsible for auditing the Production, Reserve Additions, Rate of Return on Drilling Capital, and Capital Budget Adherence calculations, and any numerical, calculated metrics embedded within the Business Unit/Department Performance Objectives and measurement thereof, including any adjustments approved by the Board during the course of the plan year, and will provide his opinion that such calculations are accurate or his opinion setting forth discrepancies to the Committee and the Audit Committee.

The foregoing description of the 2013 Plan is qualified in its entirety by reference to the full text of the 2013 Plan, a copy of which is attached to this report as Exhibit 10.1.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

The information set forth under Item 1.01 of this Current Report on Form 8-K is hereby incorporated in Item 5.02 by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit	Description
10.1	Forest Oil Corporation 2013 Annual Incentive Plan.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

FOREST OIL CORPORATION
(Registrant)

Dated: May 17, 2013

By

/s/ MICHAEL N. KENNEDY
Michael N. Kennedy
Executive Vice President and
Chief Financial Officer

INDEX TO EXHIBITS FILED WITH THE CURRENT REPORT ON FORM 8-K

Exhibit	Description
10.1	Forest Oil Corporation 2013 Annual Incentive Plan.