

NYMEX OIL: US\$79.02
 +\$1.02
 February
NYMEX N. Gas: US\$5.57
 -\$0.12 per MMBTU
 February delivery



oilfield NEWS

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TUESDAY PRICES

Benchmark crude for February delivery rose US\$1.02 to settle at \$79.02 on the New York Mercantile Exchange. In other Nymex trading in February contracts, heating oil was unchanged at \$2.14/gal and gasoline rose 2 cents to \$2.06/gal. Natural gas fell 12 cents to finish at \$5.57 per 1,000 cubic feet. In London, Brent crude rose 64 cents to \$77.01 on the ICE Futures exchange.

TOTAL AND CONOCOPHILLIPS OK PHASE 2 OF SURMONT

Total and ConocoPhillips announce the sanction of the Surmont Phase 2 SAGD (steam assisted gravity drainage) development in Canada. The project, slated to begin initial construction in 2010, will increase Surmont's production capacity from 27,000 to 110,000 barrels of bitumen per day. The Surmont project is located approximately 60 kilometres southeast of Fort McMurray. Surmont is operated by ConocoPhillips Canada and is a 50/50 joint-venture with Total E&P Canada. "The responsible development of Canada's oil sands, particularly with respect to the environment, will be crucial in providing a secure source of energy for the future. Total is pleased to be advancing on this project and plans to bring to it innovation and global expertise in world-class heavy oil projects, while meeting the strict national and international standards for environmental compliance," stated Yves-Louis Darricarrère, President

Exploration & Production, Total. Phase 2 is scheduled to begin production in early 2015. Construction is due to start this year. For Surmont SAGD, a collaborative effort is underway with ConocoPhillips to develop technologies for both energy efficiency and CO(2) capture and storage (CCS). Among those technologies and processes, Total and ConocoPhillips are looking into ways to inject lighter hydrocarbons into the wells along with the steam to lower the viscosity of the oil, which will reduce the requirement of steam and therefore the emissions of associated CO(2).

OILSANDS QUEST SELLS OIL SHALE ASSETS

Oilsands Quest Inc. has reached an agreement to sell its oil shale assets located near Pasquia Hills in Saskatchewan to Canshale Corp. As previously announced, OQI has been examining alternative structures to develop its oil shale assets and provide a separate vehicle for funding and operating these assets, having determined that the best use of OQI's financial and management resources continues to be in developing its significant portfolio of oil sands projects and exploration lands. OQI will sell the oil shale properties to Canshale for consideration of CDN \$1 million in cash and 8,000,000 shares of Canshale. The transaction is conditional on Canshale raising a minimum of CDN \$12.5 million.

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JOURNEYMAN LINEPERSONS (4 POSITIONS) RANKIN INLET & IQALUIT, CAMBRIDGE BAY, NUNAVUT

Reference #: JL-FMT-1120

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Preference will be given to beneficiaries of the Nunavut Land Claims Agreement. We thank all applicants for their interest, however, only those selected for further consideration will be contacted.

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Following the initial Canshale financing, OQI will retain an ownership interest of between 10 and 16 per cent in Canshale. Canshale is a private company formed by

Christopher H. Hopkins. Mr. Hopkins is the Chairman, President and Chief Executive Officer at Canshale and, effective January 15, 2009, resigned as President and Chief

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Executive Officer at OQI. Mr. Hopkins remains on the board of directors of OQI and is the chair of the Environment, Health and Safety Committee. He is also a member of the Governance Committee of the board. Mr. Hopkins has founded and built a number of early stage exploration companies, including OQI, and will bring this leadership to Canshale and the development of its oil shale assets.

FOREST GATE ANNOUNCES UTAH ACQUISITION

Forest Gate Energy Inc. of Montreal reports that it has acquired oil licenses in the state of Utah consisting of approximately 123,000 gross acres and 31,335 net acres. This land package was acquired from a private Denver, Colorado-based oil company and comes with an extensive suite of geological and geophysical data. The data base was acquired by the vendor over a fifteen year period. Forest Gate had previously announced an agreement with the vendor where the Company undertook to pay 100% of the cost to drill, case and complete a 4000 foot well to earn interests ranging between 52% to 70% in oil and gas licenses covering an area of approximately 5000 gross acres in Cedar Valley, Iron County, Utah (see news release dated December 9, 2009). The Company is no longer required to fulfill such obligation as it has entered into a new agreement with such vendor as detailed below. In a new deal, which enhances the previously acquired 5000 gross acres, Forest Gate has acquired an additional 116,000 gross acres, which covers an expanded trend identified by the vendor, which embraces the Company's original exploration concept. This brings its total land holding in the area to 121,000 gross acres. Forest Gate paid vendor US\$390,000 to acquire the licenses covering this acreage. This acquisition was financed with proceeds from the Company's recent financing. Additionally, Forest Gate is earning between 37.5% to 50% interest in licenses covering 2,160 gross acres (820 net) in Crescent Junction, Grand County, Utah, by drilling a 3600-foot well. Casing point costs for the well are totally funded from the Company's recent financing. "We have a substantial amount of 2D and 3D seismic, and geochemical surveys", said Michael Judson, Forest Gate's Chief Executive Officer. "We also have well logs which show the presence of hydrocarbons." The initial drilling target at Crescent Junction, Grand County, Utah is the Wingate formation, which is an eolian (sand dune) sandstone of Jurassic age with a potential thickness of 800 ft. Other potential horizons that will be drilled in the initial test well include Cretaceous Dakota sandstones and the Jurassic Morrison, Entrada, and Navajo formations. The Wingate formation has been identified by 3D seismic. The program at Crescent Junction involves drilling a 3600-foot well. Spud date is January 31st 2010. Forest Gate's Iron County, Utah property hosts numerous shallow and deep oil prospects and leads. The Company has a 5,000-foot

Rush Lake prospect, which is targeting by-passed Dakota sands and deeper Navajo sands. This shallow drilling target at Rush Lake is a re-drill to the 1948 Dakota Sandstone discovery at a depth of 2800 feet, which was never put on production.

ENTERRA TO CONVERT

Enterra Energy Trust has announced that the Board of Directors of Enterra Energy Corp., on behalf of the Trust, unanimously approved the conversion of the Trust to a corporation to be named Equal Energy Ltd.. Don Klapko, President and CEO said, "Enterra must eventually convert from a Trust to a corporation because of the taxation changes in Canada, and so we are relaunching Enterra as Equal Energy to create a new market brand with the conversion. The name Equal Energy reflects the balanced approach that we take to asset development, financial responsibility and our strategic corporate direction. We've worked extremely hard since late 2007 to stabilize our balance sheet, our asset base and our credibility within the capital markets as we move toward a growth oriented E&P corporation." Since late 2007, there have been major changes to Enterra's management and Board, as well as to the Trust's business plan, financial stability, operations and asset base. Under a new name and corporate brand, Equal Energy will be able to continue to build on these successes. The conversion would be subject to the approval of the unitholders as well as customary court and regulatory approvals, and is anticipated to be completed on or before May 31, 2010. Equal Energy will continue to pursue the exploration and development of its Oklahoma based Hunton natural gas and NGL resource play. The company will work to further develop opportunities in its Circus, Oklahoma oil play, as well as its oil play in the west central Alberta Cardium formation, and its various other Western Canadian Sedimentary Basin oil and gas prospects.

US CRUDE OUTLOOK

U.S. cash crudes will likely weaken this week as futures time spreads firm and crude vendors compete to find buyers ahead of a monthly pipeline scheduling deadline next Monday, analysts and traders says. In the final week for trading of February cash grades, as a monthly roll period approaches later this week ahead of next week's pipeline deadline, Mars sour MRS- was talked early Tuesday for up to \$2.20 a barrel below West Texas Intermediate CLC1, down 10 cents a barrel since last week. "I think the differentials this week (will) weaken as sellers must compete to find buyers for these pipeline connected grades," said consultant Carl Holland of Energy Trading Solutions in Connecticut. "Pipeline scheduling will add to this slump." Warmer weather across the United States and still higher-than-normal inventories of crude oil and products have helped depress oil futures and crude demand from refineries in recent days. U.S. oil giant Chevron



The Alberta Council of Turnaround Industry Maintenance Stakeholders ("ACTIMS") comprises of heavy industrial maintenance owners, contractors, GPC/NMC and Building Trade Unions in the Province of Alberta.

ACTIMS goal is to ensure that the upcoming spring turnarounds in 2010 are fully staffed with available qualified, skilled, experienced workers. The projects are:

- Shell Scotford Fort Saskatchewan
- Muskeg River Mine Fort McMurray
- Suncor Fort McMurray
- Syncrude Fort McMurray

ACTIMS affiliated maintenance contractors who will be involved in the execution of these turnarounds are:

Aecon Field Services	Aluma Systems
Clearwater Welding	Edmonton Exchanger
Jacobs Industrial Services	KBR
Mammoet Crane	Melloy Industrial Services
Northern Crane	Reppsco Services
ThyssenKrupp Safway	TAMSIL (Transfield)

Employers mentioned above are looking for certified journeyman trades people in the following classifications:

- Pipefitter/Steamfitter
- Pipefitter Welder ('B' Pressure/TIG alloy)
- Boilermaker
- Boilermaker Welder ('B' Pressure/TIG alloy)
- Crane Operator (Conventional / Hydraulic)
- Carpenter/Scaffolder
- Insulator

Out of province recruits will be provided camp accommodation and travel assistance to Fort McMurray. Individuals hired for Shell Scotford will be provided travel assistance and an accommodation allowance. Details will be provided with a firm job offer. Successful candidates will be required to register with the applicable Alberta Building Trades Local Union.

If you are interested in working at any of the upcoming spring turnarounds and you possess the applicable skills, qualifications and experience, please forward your resume by email or by regular mail to the address below:

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An employer's representative from one of the company's listed above will be in touch with you to discuss your interests and availability.

Corp, the country's No. 5 refiner, plans to restructure its refinery operations, cutting some jobs and exiting some markets, a company spokesman said on Tuesday. U.S. refiners have faced tough margins since 2007, and in recent months several U.S. refineries have closed or reduced rates. February WTI, whose futures contract expires on Wednesday, fell 48 cents to \$77.52 in morning trade Tuesday. The spread between front-month and second-month barrels firmed to 29 cents a barrel on Tuesday, from 37 cents a barrel on Friday. A lesser contango typically weakens grade differentials. The spread between March WTI and Brent widened to \$1.68 in favor of WTI, up from \$1.41 a barrel on Monday. If the spread

widens to \$2 a barrel in favor of WTI, an arbitrage window could open to attract more foreign crude shipments into the U.S. market, Holland said. U.S. refinery margins were mixed last week, Credit Suisse said Tuesday in a weekly report. Refiner profits fell in the U.S. Gulf Coast and the West Coast as product prices were relatively weak compared to the other regions. U.S. Gulf Coast margins slipped 13 cents to \$6.88 a barrel. West Coast margins dropped \$4.04 a barrel to \$4.74 a barrel. In the Northeast, margins rose 52 cents to \$8.86 a barrel. Midwestern margins were up a penny at \$4.81 a barrel. In the Rockies region, margins gained \$3.98 a barrel to \$12.07 a barrel.