

NYMEX OIL: US\$81.73
+ \$0.06
 November delivery
NYMEX N. Gas: US\$3.65
+ \$0.03 per MMBTU
 November delivery



ilfield NEWS



Published By **NEWS COMMUNICATIONS** since 1977

Canadian Edition

Wednesday October 13 2010

TUESDAY PRICES

Benchmark crude for November rose \$0.06 to \$81.73 a barrel on the New York Mercantile Exchange. In other Nymex trading in contracts, heating oil was down 1-cent to \$2.26 /gal while gasoline lost 3-cents to \$2.12/gal. Natural gas gained 3-cents to \$3.65 per 1,000 cubic feet. In London, Brent dropped 2-cents to \$83.50 a barrel on the ICE exchange.

NORTH AMERICAN RIG COUNT

The U.S. rotary rig count was up 12 to 1,671 for the week of October 8, 2010. It is 630 rigs (60.5%) higher than last year. The number of rotary rigs drilling for oil was up 3 at 690. There are 385 more rigs targeting oil than last year. Rigs currently drilling for oil represent 41.3% percent of all drilling activity. Rigs directed toward natural gas were down 9 at 971. The number of rigs currently drilling for gas is 245 greater than last year's level of 726. Year-over-year oil exploration in the US is up 126.2 percent. Gas exploration is up 33.7 percent. The weekly average of crude oil spot prices is 15.1 percent higher than last year and natural gas spot prices are 2.7 percent lower. Canadian rig activity was up 164 at 403 for the week of October 8, 2010 and is 54 (68.6%) higher than last year's rig count.

OPEC UPS FORECAST FOR 2010

The Organization of the Petroleum Exporting Countries on Tuesday revised upward by 100,000 barrels a day its forecast for 2010 world oil demand growth, which is now expected at 1.1 million barrels a day. The revision is driven by the stronger-than-expected, stimulus-led economic growth in the first half of the year, OPEC said in its monthly oil-market report released on Tuesday. "Despite some turbulence and setbacks, the global economic recovery continues to provide support for oil consumption," OPEC said. "While oil demand in the third quarter has been supported by warm summer weather along with the driving season, however, it is not expected to be as strong as in the previous two quarters." In 2011, global oil demand is forecast to grow by 1.0 million barrels a day, unchanged from last month's forecast, with demand growth anticipated to be stronger in the second half of the year, according to OPEC.

US DEEP-WATER DRILLING MORATORIUM LIFTED

The Obama administration is lifting the moratorium on deep-water oil drilling -- put in place after the Gulf oil spill disaster -- for operators who comply with tough new rules and regulations, Interior Secretary Ken Salazar announced Tuesday. "There will always be risks associated with deep-water drilling," Salazar said. "We have reached a point where we have

groove developments
 groovedevelopments.com

New Home Construction Renovations Mini Renos
FREE ESTIMATES
403.852.6719

SAWS GENERAL CONTRACTING
 All your CONCRETE needs on flatworks
 Industrial/commercial/residential
 Shop Floors/Basement/Garage slabs,
 Driveways, Sidewalks, Exposed, Stamping, Steps
CALL TODAY FOR FREE ESTIMATE
 Contact gabrielbochi@yahoo.es or 17802121148

GUARDIAN FIRST AID SERVICE LTD.
 Oil & Gas Pipelines
 Fire Lines - Power Lines
 Industrial - Loss Prevention
24 Hr service available
250-865-2650
 guard1fa@telus.net

Licensed for BC & Alberta
 MSSA# approved

Limos At The Beach
 \$125 an hour - weddings \$115 an hour
 Airport drop off / pick up
 (Edmonton or Calgary) \$225 one way
For any occasion, Weddings, Grads, Christmas party's, Airport runs or if you would just want to go out on the town. Consider renting Limos At The Beach and leave the driving to us
403-596-2277

Need a mortgage?
 Access to rate sales!
 Purchases & Refinances
 100% financing*
 Bruised credit / past bankruptcies
 Debt consolidation
 Non-variable income
 Investment & cottage properties

Call Margarette Perreault
403.506.6988! TF: 1.888.755.2303
 margarette.perreault@mtgarc.ca
 www.CentralAlbertaMortgages.com

COMPLETE BOBCAT SERVICES
 Contract or hourly
 Experienced operators
 24 hour services
 WCB AND FULLY INSURED
A SCOTT CONTRACTING
403-352-6135 403 747 2991

NONNI'S AIRPORT SHUTTLE and Private Charter Services
 Serving Calgary - Red Deer - Edmonton
 Hot Shot Deliveries, Light Equipment Transfers
 Staff Shuttle, Private Charters for Staff Parties
403-872-4470
 reddeershuttle@hotmail.com

significantly reduced those risks." The six-month moratorium was first issued by Salazar in May after the April 20 explosion of BP's Deepwater Horizon drilling rig in the Gulf of Mexico that killed 11 people and triggered one of the worst environmental disasters in U.S. history. An estimated 4.9 million barrels (206 million gallons) of oil gushed into the Gulf before the broken well, 5,000 feet below the surface, was capped. Salazar's initial moratorium was overturned by a federal judge whose ruling

EDCON
 POWER TONGS

requires

Power Tong Operators & Computer Torque Technicians
 Rig Experience is an asset

Forward resumes to:
jhedcon@telus.net or fax to: **780-623-4849**
 or mail to: **Box 209 Lac La Biche, Alberta T0A 2C0**
1-888-624-4808

QUINN
 CONTRACTING LTD.

'Committed to Service Excellence'

MAINTENANCE SCHEDULERS

Now accepting expressions of interest from qualified Maintenance Schedulers to support contract mechanical work in the Wood Buffalo & Lakeland regions. Applicants must have previous mechanical scheduling experience in an industrial setting.

REQUIREMENTS:

- 5 – 10 years experience in Maintenance or Project Scheduling
- Able to prepare and analyze resource & cost loading reports, histograms, GANT & PERT charts
- Computer proficiency with experience in Primavera P6 & Microsoft Project applications
- Knowledge of trade requirements in multi-skilled, industrial environments
- Extensive knowledge of oil & gas processing & related equipment
- Able to read and interpret blue prints and P&IDs.
- Highly organized & able to manage multiple & shifting deadlines
- Effective communicator with customer-service orientation

For information & to apply online, visit quinncontracting.ca
hr@qcltd.com | Fax: (403) 885-5127

was upheld by an appeals court. The interior secretary then issued a second ban in June that was scheduled to expire in November. Salazar said the moratorium provided time to make sure similar accidents involving a failed piece of equipment called a blowout preventer wouldn't occur, and that rig operators were prepared to deal with worst-case scenarios if it did happen. The moratorium affected 36 operators, half of which were able to continue some level of work such

as helping to dig relief tunnels that capped the broken well, Salazar said. Lifting the moratorium means applications for 18 exploratory wells can again move forward, providing they comply with the tougher new regulations and rules, he said. Under the new requirements, operators must show that their proposed development and exploration plans can deal with potential blowouts and undergo detailed inspections and design reviews of blowout preventers by independent third parties,

EMPLOYMENT OPPORTUNITY

GRUBBY'S TRUCKING LTD. requires a

Full-Time SEMI DRIVER OR LEASE OPERATOR

Hauling Fluid - References required

Send resumes to:

Box 266, Neilburg, SK S0M 2C0

Fax: (306) 823-4354

or E-mail grubbys@sasktel.net

said Michael Bromwich, the new head of the federal agency that oversees offshore oil drilling. Bromwich said it might take time for companies to come into full compliance, but he expected some permits for resumed drilling to be approved by the end of the year. A federal report said the moratorium likely caused a temporary loss of 8,000 to 12,000 jobs in the Gulf region.

CNOOC TAKES BIG STEP INTO TEXAS SHALE

State-owned Chinese energy giant CNOOC is buying a multibillion-dollar stake in 600,000 acres of South Texas oil and gas fields, potentially testing the political waters for further expansion into U.S. energy reserves. With the announcement Monday it would pay up to \$2.2 billion for a one-third stake in Chesapeake Energy assets, CNOOC lays claim to a share of properties that eventually could produce up to half a million barrels a day of oil equivalent. It also may pick up some American know-how about tapping the hard-to-get deposits trapped in dense shale rock formations, analysts said. As part of the deal, the largest purchase of an interest in U.S. energy assets by a Chinese company, CNOOC has agreed to pay about \$1.1 billion for a chunk of Chesapeake's assets in the Eagle Ford, a broad oil and gas play that runs roughly from southwest of San Antonio to the Mexican border. CNOOC also will provide up to \$1.1 billion more to cover drilling costs. The deal represents China's second try at making a big move into the U.S. oil and gas market, following a failed bid five years ago to buy California-based Unocal Corp. Intense political opposition over energy security concerns derailed that \$18.4 billion deal. But analysts expect few political or regulatory hurdles to the CNOOC-Chesapeake deal. "The climate is much more hospitable now," said Juli MacDonald-Wimbush, a partner with Marstel-Day, an energy and environmental security consultancy in Fredericksburg, Va. Amid low natural gas prices and a largely uneconomic drilling climate, she said highly liquid Chinese companies will find willing partners among onshore oil and gas companies hurting for

capital to drill. "They have the cash, and energy companies in the U.S. are looking for the cash to develop these reserves," MacDonald-Wimbush said. Aubrey McClendon, CEO of Oklahoma City-based Chesapeake, said he hasn't heard any objections to the sale. Unlike China's Unocal bid, the latest deal doesn't involve technology transfers or a direct investment in Chesapeake, he said, and CNOOC employees won't work for Chesapeake, which will continue to operate the project. "This is a pretty simple business transaction," McClendon said. "The initial feedback we're getting is that this is something the government should be very happy to see, which is the return of American capital into our country so that we can use it to create high-paying American jobs and also reduce oil imports a few years down the road." McClendon projected the sale would create as many as 20,000 jobs, directly and indirectly, and, on CNOOC's dime, allow the company to increase its rig count in South Texas from 10 rigs to about 40 by the end of 2012. Jeff Schlegel, co-head of the global energy practice at Jones Day in Houston, said interest in Chesapeake's shale play is hardly limited to China. Strategic and financial investors from all parts of the world are looking to take advantage of the economic upside, he said, while others are seeking operating experience. "It is no surprise that an experienced industry participant such as CNOOC has entered the market," Schlegel said. In the last two years Chesapeake has made multibillion dollar deals with Britain's BP, Norway's Statoil and France's Total for interests in Chesapeake properties in Texas, Oklahoma, Arkansas and the northeastern United States.

CHEVRON SEES LOWER EARNINGS ON WEAK DOLLAR

Chevron Corp., in an interim quarterly update, said late Tuesday it expects third-quarter earnings will come in below its second-quarter results. The No. 2 U.S.-based oil company said a weaker dollar will trim about \$400 million from its results, with most of the decline seen in overseas exploration and production. Higher expenses and lower crude oil



Reliability at work

Bucyrus International Inc. is a NASDAQ traded company and a world leader in the design and manufacture of high productivity mining equipment for surface and

We are seeking candidates for the following positions throughout Northern Alberta:

Heavy Equipment Technician (s)

Journeyman Parts Technician

Truck Manager & Supervisor (s)

Truck Electrician (s)

Reliability/Hydraulic Technologist (s)

Bucyrus Canada Ltd. Offers a competitive compensation package with excellent opportunities for advancement.

HOW TO APPLY

Email: careers@bucyrus.com
(position title in the subject line)

Fax: 780-482-7858

Mail: 18131 118Ave.
Edmonton, AB T5S 1M8

www.Bucyrus.com

prices have also weighed on earnings, it added. Chevron shares fell as much as \$1.03, or 1.2%, to \$82.81 in after-hours trade. Chevron is scheduled to report its third-quarter results on Oct. 29. Analysts polled by FactSet expect Chevron to report third-quarter earnings of \$2.30 a share on Oct. 29, down from \$2.70 a share in the second quarter but an improvement over the \$1.72 per share it posted in the third quarter of 2009.

U.S. MOVING TO E15

Canada's ethanol industry is watching closely as the U.S. considers moving to increase the amount of ethanol blended into gasoline by as much as 50 per cent. If that does happen, there are differing views about whether firms here will benefit in the short run. The U.S. Environmental Protection Agency is widely expected to announce within days whether it will approve standards allowing 15 per cent ethanol blending with gasoline. The standard, known as E15,

would mean an increase from the current 10 per cent regulation and would likely apply for use in cars made in 2007 or later. The move would pave the way for the White House to order refiners to meet E15 standards, possibly as early as the spring. The U.S. ethanol industry primarily uses corn for its feedstock and is expected to consume 4.7 billion bushels, more than a third of the crop, this year. If the change does come, it'll be good news for Canada's industry, according to Ken Field, chairman of Toronto-based Greenfield Ethanol, Canada's largest ethanol company. GreenField Ethanol produces 450 million litres in fuel ethanol annually, which is sold at 1,300 gas stations. Altogether, Canada has 16 ethanol plants with the capacity to produce 1.8 billion litres per year. The largest part of that — almost 70 per cent — uses corn as a feedstock. Field predicted Canada would have to follow an American move. Canada's standard, which becomes law in December, requires five per cent blending. With the Canadian

CURRENTLY HIRING

Company Drivers & Lease Operators

Top wages to pull 9 axle -13 axle trailers to move over weight and over dimensional loads throughout the US and Canada. Family run business for over 50 years. Great benefits package including pension plan. We are looking for both full and part-time drivers to pull loads into Canada and/or the U.S.A.. If you want to take pride in your work and are looking for a career in the trucking industry, we can help. Richards is based in Regina. Minimum 2 years experience preferred.(br).



TRANSPORT LTD.

'On the road for over 50 years!'

You can send your resume and abstract online to:
boyd@richardstransport.com or
fax to 1-306-522-9860

For more information, visit our website at
www.richardstransport.com
or call Boyd at 1-306-522-2211



TRUCK SERVICES LTD.

requires:

SEMI VAC & PRESSURE TRUCK OPERATORS

(willing to train)

- Scheduled days off • Benefits
- Competitive wages

Fax resume with driver's abstract to:

780-875-2894

E-mail: doug@sandpipertruck.com

industry now importing U.S. corn to meet its needs, raising the standard would increase demand from American refiners and, along with that, prices.

BLACKSTEEL ANNOUNCES PRIVATE PLACEMENT

Blacksteel Energy Inc. has announced that it is proceeding with a non-brokered private placement offering of up to 1,200,000 common share units at a price of \$0.45 per Unit for gross proceeds of up to \$540,000 and up to 2,200,000 Class A Common Shares issued on a Flow-Through basis at \$0.55 per Common Share for gross proceeds of up to \$1,210,000. Each Unit will consist of one (1) Common Share and one common share purchase warrant (each a "Warrant"). Each Warrant will entitle the holder to purchase one Common Share of the Corporation at an exercise price of \$0.60 per Warrant Share for a period of twenty four (24) months from the closing date. The Company has agreed to pay finders fees to an arm's length broker of 8% cash and 8% finders warrants with each Finder Warrant exercisable into one (1) Common Share of the Company at a price of \$0.45 per Common Share within twelve (12) months from closing of the Private Placement Offering. Proceeds of the Private Placement Offering will be used primarily to fund the Company's exploration, development and seismic activities on its crown leases in the Del Bonita area of Alberta that target the Alberta Bakken emerging oil play, and for general corporate purposes. All securities issued pursuant to the Private Placement Offering will be subject to a four month hold period pursuant to applicable securities legislation.

PINECREST CLOSES OVER ALLOTMENT OPTION

Pinecrest Energy Inc. has announced it has closed the over-allotment option on its previously announced bought-deal financing, with a syndicate of underwriters led by Canaccord Genuity Corp. and

including Cormark Securities Inc., GMP Securities L.P., Peters & Co. Limited, and Paradigm Capital Inc., pursuant to which the Underwriters purchased an additional 3,663,143 common shares at a price of \$1.40 for aggregate gross proceeds of \$5,128,400.20. Closing of the over-allotment option brings the aggregate gross proceeds of the Offering to \$40,128,400.20. The net proceeds of the Offering will be used to fund Pinecrest's capital program and for general corporate purposes.

STREAM NON-BROKERED PRIVATE PLACEMENT

Stream Oil & Gas Ltd. has announced a non-brokered private placement to raise gross proceeds of up to CDN\$10,000,000 by the issuance of up to 6,500,000 Units at a price of \$1.50 per Unit. Each Unit consists of one common share of the Company and one-half of one common share purchase warrant. Each Warrant will entitle the holder to acquire an additional Common Share at an exercise price of \$2.00 per Warrant during the first 12 month period following closing of the private placement, and at an exercise price of \$2.50 per Warrant during the subsequent 12 month period. Stream has the right to force the exercise of the warrants at any time if the shares trade at \$2.75 or higher over a 20 consecutive day period for the first 12 month period and at \$3.75 or higher over a 20 consecutive day period for the second 12 month period. All securities issued in connection with the private placement are subject to a statutory hold period of four months plus one day from the date of issuance in accordance with applicable securities legislation. The Company will pay finders' fees subject to Exchange policies. "These funds will provide the ability to accelerate our development program and initiate the testing of secondary recovery technologies, which have the potential to significantly expand the value of Stream's underdeveloped assets," said

Dr. Sotirios Kapotas, President and CEO. "Activity is ramping up as we move into the last quarter of 2010: we have an aggressive 100-day plan to workover 20+ wells in the Cakran-Mollaj field and expect to take over the entire Gorisht field in order to begin water flood implementation." The private placement is subject to final agreements and approval of securities regulatory authorities and the TSX Venture Exchange. The net proceeds of the private placement will be used for Stream's production and development activities on its properties in Albania and for general working capital purposes.

CLOSE TAKES HELM OF CONCORD WELL SERVICING

Deborah Close will be setting a precedent becoming the first woman to lead a Canadian well servicing company in Alberta. She is excited about the growth opportunities for Concord Well Servicing, a division of CCS Corporation. "For 30 years, Concord Well Servicing has been setting the industry standard," said Deborah Close, President, Concord. "I plan on continuing that example while looking for new and innovative ways to conduct our business. We have some of the best people and equipment available and I look forward to working with our team to grow our business." John Gibson, President and CEO of CCS Corporation, brought Deborah on board after an extensive search. "I had the pleasure of working with Deb during my time at Halliburton and she is a first-rate executive," said John Gibson, President and CEO of CCS Corporation, the parent company of Concord Well Servicing. "Deb brings a strategic approach to business with a focus on safety, sales, and marketing - a key to our continued growth as an organization. She is the consummate professional and an amazing leader. I look forward to working with her." Gordon Vivian, who co-founded Concord Well Servicing in 1979, retired in September. Deborah Close

joined CCS in August, 2010 as President of Concord Well Servicing. She brings a wealth of experience in sales, marketing and operations to CCS. Ms. Close began her career in the energy industry more than 30 years ago working as a Petroleum Engineering Technologist at the ERCB and Amoco Canada Petroleum. She spent 14 years working in reservoir, operations engineering, and supply and marketing. Since then, Ms. Close has worked for several energy industry software companies including Landmark Graphics, a division of Halliburton. At Landmark, Ms. Close held several executive positions in sales, marketing and general management, including Vice President, Operations for North America, Europe and the former Soviet Union. Most recently, she was Executive Vice President for DO2 Technologies, a leading software company focused on electronic invoicing and supply chain finance.

PETROSTAR BOOKS FIRST ELECTRIC TANK HEATER SALE

Petrostar Petroleum Corp. has announced the first commercial sale of its Electric Tank Heater (ETH) technology. SR Rentals of Elk Point, Alberta has agreed to purchase 2 ETH units to be delivered immediately. These units will generally be used in SR Rentals' tank rental business, and specifically used to heat drilling fluid tanks on drill rigs during the winter season. As reported in an earlier news release, the purchase of these heaters validates the success of the test that was conducted last winter on an active rig. Even though this sale is small, it is significant in that it proves Petrostar's heater technology works and is reliable under a demanding situation. As these heaters begin to roll out, the industry will see that there is a safer, more reliable, more environmentally friendly, and a more cost effective way to heat all manner of tanks used for different applications. All future sales will now be booked through Petrostar's master distributor, King Energy of Winnipeg, Manitoba. The units will retail for \$26,000 each.