NYMEX OIL: US$83.76
+$0.50
January delivery
NYMEX N. Gas: US$4.40
+$0.01 per MMBTU
December delivery

Oilfield NEWS

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ENBRIDGE'S LINE 6B RETURNS TO SERVICE

Enbridge Inc reopened its 290,000 barrel per day Line 6B on Thursday, more than a week after the oil pipeline was shut for repairs. Enbridge said shipments on the line resumed at 8 a.m. after it completed maintenance near Stockbridge, Michigan. Enbridge, whose lines carry the bulk of Canada's crude oil exports to the United States, closed the line on Nov. 18 after after a routine smart-pig run detected potential anomalies that required the company to excavate portions of the line. Line 6B, which runs from Griffith, Indiana, to Sarnia, Ontario, was operating at restricted capacity after U.S. regulators allowed it to return to service after a nine-week shutdown following a July rupture that spilled 19,500 barrels of oil into a Michigan river system.

FINAL SETTLEMENT PHASE STARTS FOR BP OIL SPILL

In the months since the Deepwater Horizon rig explosion in the Gulf of Mexico, hundreds of thousands of people and businesses have filed for emergency payments from the $20 billion BP fund administered by Kenneth R. Feinberg. More than $2.2 billion is being paid to some 150,000 individuals and businesses with documented claims, according to fund estimates. That emergency program came to an end Tuesday, and now the next phase begins: the negotiation of lump-sum final settlements for those affected by the spill. The rules for those settlements will be announced on Wednesday by Mr. Feinberg, after consulting with lawyers, state attorneys general, the Department of Justice and BP. A copy of a 12-page document laying out the claims process, obtained by The New York Times, describes in detail a program that will run for three years. It does not require those seeking reimbursement to give up their right to sue BP or other companies involved with the spill until they accept a final offer. Anyone accepting the final settlement, however, will give up the right to file future claims against BP or any other company involved in the disaster. The fund will also allow people to continue to receive money while weighing a final settlement. And there will be an appeals process for those unhappy with their offer. The document addresses the contentious problem of proximity to the spill. Mr. Feinberg has long argued that his program will be more generous than the court system because he has greater flexibility to address claims that would be prohibited under the Oil Pollution Act. That act creates a high bar for certain claims, particularly from people and businesses near beaches that were not directly affected by the spill, including Florida tourism businesses that experienced a downturn.

OPEC UNLIKELY TO ACT AT DECEMBER MEETING

OPEC is not likely to change its production quotas at its next meeting in December in Ecuador, Qatari Energy Minister Abdullah al-Attiyah told reporters on Tuesday. The minister of the world's biggest exporter of liquefied natual gas (LNG) declined to predict future oil prices but said that he saw an important correlation between the US dollar and prices.OPEC is not likely to change its production quotas at its next meeting in December in Ecuador, Qatari Energy Minister Abdullah al-Attiyah told reporters on Tuesday. The minister of the world's biggest exporter of liquefied natual gas (LNG) declined to predict future oil prices but said that he saw an important correlation between the US dollar and prices.

RIPPER Q2 RESULTS AND OPERATIONAL UPDATE

Ripper Oil and Gas Inc has reported its second quarter 2010/2011 financial results for the nine months ended September 30, 2010, and operational activities to date. Corporate highlights include: the Corporation closed its previous divestiture of assets at Halkirk, Mikwan, Chigwell and Twining to an arm's length party in consideration for $13.2 million, effective August 1, 2010. Ripper's net production from these assets averaged 244 boe/day one minor asset sale closed in the quarter for a consideration of $166,000 and two assets sales closed subsequent to quarter end to arm's length parties for aggregate consideration of $747,400. Ripper's net production from the three assets averaged approximately 26 boe/day. part of the proceeds from property divestitures were directed to pay off bank indebtedness in the second quarter. The company is now debt free and has no bank line in place at this time. subsequent to September 30, 2010, the Corporation entered into an agreement to sell its Wildmere assets to an arm's length party, effective October 1, 2010. The agreement is conditional on negotiation of a binding purchase and sale agreement, and upon completion of due diligence. Presently all wells associated with the property are shut in. subsequent to quarter end, the directors of Ripper declared a dividend of $0.40 per Common Share of Ripper. The dividend is an eligible dividend. Payment was on November 15, 2010, to shareholders of record on November 10, 2010. average production for the second quarter was 339 boe/day, down from 370 boe/day in the first quarter, due to the divestitures in the second quarter. Second quarter operating netbacks were $14.29/boe on an average realized price of $32.53/boe, down from the first quarter due to higher royalties and a decrease in the price of natural gas. natural gas prices averaged $3.66/mcf for the quarter, down 10% over the first quarter price of $4.07/mcf, and up 17% from the price of $3.14/mcf in the second quarter of last year. funds from operations were a deficit of $1,005,498 for the second quarter as compared to a gain of $400,256 for the previous quarter. The sharp decline is due to the current taxes payable as result of the property sales.

the Corporation drilled a 750m well prospective for Belly River and Horseshoe Canyon/Coalbed Methane (CBM), to earn 100% working interest in 640 acres of P&NG rights subject to a non convertible gross overriding royalty. The well and earned land were part of the Halkirk divesture that closed in the second quarter. subsequent to the sale of the fore mentioned assets the Corporation will have approximately 80 boepd of production, of which 60% is oil. The Provost oil property represents 49% of the Corporation's remaining 340 Mboe of proved plus probable reserves as at March 31, 2010, and 49% of the Corporation's current production. Property revenue and production will be generated from eight working interest properties and gross overriding royalty income. the Corporation has set aside $1.9 million to pay potential taxes owing at year end for property divestures closed to date. Approximately $700,000 free cash remains after closing all the previously mentioned property sales, and after payment of the dividend.

TWIN BUTTE AQUISITION

Twin Butte Energy Ltd. has announced that it has entered into a definitive agreement to purchase conventional heavy oil producing assets primarily in the Frog Lake area of North Eastern Alberta. The assets which include wells and associated production facilities are currently producing approximately 500 bbls per day of oil. The purchase price net of standard closing adjustments is $19.5 million and it is anticipated that the acquisition will close before the end of November. The acquisition includes 10.2 gross (10.1 net) sections of crown land and operated production in the Frog Lake area directly adjacent to Twin Butte's existing Frog Lake operations. These lands are entirely covered with 3 dimensional seismic which is included with the acquisition. Twin Butte has identified numerous recompletion opportunities and a minimum of 50 drillable locations on the lands. Twin Butte's estimates proven and probable reserves associated with the acquisition are 1.4 million boe's based on internal evaluation as at October 1, 2010. Twin Butte intends to finance the acquisition from its existing corporate credit facility which post closing the transaction is anticipated to be increased from its current $120 million to $128 million. Year end 2010 net debt pro-forma the acquisition is anticipated to be approximately $96 million. The acquisition is consistent with Twin Butte's growth strategy as it expands a repeatable play type at Frog Lake where Twin Butte has demonstrated considerable success over the past year having grown production from 1,100 boe per day to currently in excess of 2,600 boe per day through development drilling. Acquired fluid handling and water disposal infrastructure will aid Twin Buttes ongoing cost reduction strategy at Frog Lake. Pro-forma the acquisition, Twin Butte anticipates 2011 average corporate production of 8,000 boe per day with a 2011 exit rate of 8,500 boe per day. It is anticipated that corporate oil and natural gas liquids will continue to increase as a percentage of production from its current 55 percent to 64 percent by the end of 2011. Based on $US80 per bbl WTI and a $3.50 AECO gas price, cash flow is estimated to hit a record $55 million for 2011, providing the financial flexibility to complete a planned capital program of $55 million. It is anticipated that 2011 year end net debt will be approximately $96 million representing 1.5 times Q4 2011 annualized cash flow. Twin Butte plans to drill 100 gross (60 net) wells in 2011 with an emphasis at Frog Lake where approximately 90 gross (50 net) wells are planned.

KALLISTO CLOSES BOUGHT DEAL FINANCING

Kallisto Energy Corp. has announced that it has closed a bought deal financing with a syndicate of underwriters led by Acumen Capital Finance Partners Limited and including Canaccord Genuity Corp. and Clarus Securities Inc pursuant to which the Underwriters have purchased for resale 8,734,178 units of the Company at a price of $0.79 per Unit for gross proceeds of $6.9 million. Each Unit is comprised of one common share of the Company and one-half Common Share purchase warrant . Each Warrant is exercisable into one Common Share at a price of $0.84 until May 25, 2012. If, commencing December 25, 2010, the 20-day volume weighted average price of the Common Shares on the TSX Venture Exchange is at least $1.01, the Company has the right to give notice of early expiry of the Warrants. The Units were qualified for distribution pursuant to the Company's Short Form Prospectus dated November 16, 2010. Insiders of the Company subscribed for $633,580 (or 9.2%) of the Offering. Proceeds from the Offering will be used to fund the Company's development projects, primarily at Crossfield.

PEMBINA PIPELINE CLOSES OFFERING

Pembina Pipeline Corporation has announced the closing of its previously announced public offering of $250 million aggregate principal amount of 5.75% convertible unsecured subordinated debentures due November 30, 2020. The Debentures will be listed on the TSX under the symbol PPL.DB.C. In connection with the offering, Pembina granted the underwriters an option to purchase an additional $50 million principal amount of Debentures up to 48 hours prior to the closing of the offering, which has been exercised in full. The total gross proceeds to Pembina from the sale of the Debentures, including Debentures sold pursuant to the underwriters' option, was $300 million. Pembina intends to use the net proceeds from the Debentures to partially repay existing credit facilities, thereby making borrowing capacity available to fund a portion of the Corporation's capital expenditure program, including capital expenditures relating to the Corporation's growth projects, and for general corporate purposes. Pembina's current suite of growth projects include the construction of the Nipisi and Mitsue Pipelines, the construction of an enhanced NGL extraction facility at the Cutbank complex, and projects that are expected to expand the transportation service options the Corporation can offer producers developing the Cardium oil formation located in central Alberta.