

WTI OIL: US\$99.59
-+\$1.89
July delivery
NYMEX: N Gas: US\$4.34
-\$0.01 per MMBTU
June delivery



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NORTH AMERICAN RIG COUNT

The U.S. rotary rig count was unchanged at 1,830 for the week of May 20, 2010. It is 312 rigs (20.6%) higher than last year. The number of rotary rigs drilling for oil increased 7 to 954. There are 416 more rigs targeting oil than last year. Rigs drilling for oil represent 52.1% percent of all drilling activity. Rigs directed toward natural gas were down 8 at 866. The number of rigs currently drilling for gas is 103 lower than last year's level of 969. Year-over-year oil exploration in the U.S. is up 77.3 percent. Gas exploration is down 10.6 percent. The weekly average of crude oil spot prices is 34.3 percent higher than last year and natural gas spot prices are 3.5 percent higher. Canadian rig activity is up 16 at 143 for the week of May 20, 2011 and is 30 (17.3%) lower than last year's rig count.

GAS AND OIL EXPOSITION 2011

Gas & Oil Expo and Conference, North America's world-class bi-annual energy event, will be taking place June 7-9, 2011 at Calgary's Stampede Park. Formerly known as GO-EXPO, the event will bring together 20,000 registered attendees and 500 exhibiting companies from across North America. Gas & Oil Expo and Conference will be Canada's largest energy gathering of 2011. From field operators to CEO's, the event attracts nearly 20,000 energy professionals in the industry to visit the exposition and participate in the Business and Technical Conference. "Gas & Oil Expo and Conference brings together the foremost brands and thought leaders with a North American focus," said Ryan Murray, Event Manager with organizer dmg :: events. "From the conference to the keynote speakers, networking events, and large-scale exposition, the event provides an open forum for oil and gas industry experts to share information on business strategies and technological challenges facing the North American upstream industry." The Exposition opens on Tuesday, June 7 with over 500 companies displaying technologies, products and services both indoors and outdoors at Calgary's Stampede Park. Energy engineers, technicians, buyers and engineering procurement professionals have the opportunity to get face-to-face with the innovations and advancements that are driving today's oil and gas industry. The Gas & Oil Conference also begins on Tuesday, June 7, with a program designed to suit every point of the energy supply chain, including conventional exploration & development, field operations, oil sands processing and upgrading, as well as improved thermal processes, enhanced oil recovery, drilling and completions, reservoir

characterization and simulation, water management, and oil and gas transportation, among others. An important addition to the Gas & Oil Conference is the Global Market Gas Outlook, and how Canadian natural gas production can remain competitive in the face of new competition from the United States. As well, a session on North American LNG will be closely examined on the future role of LNG exports from the West Coast of North America, and for Canadian natural gas. To register or for more information please visit: www.gasandoilexpo.com

RAINBOW PIPELINE TO RESTART

A critical oil pipeline in northern Alberta is set to resume partial operations, allowing oil producers to restart operations stymied by blazes ravaging the region. Southbound crude oil flow on the Rainbow pipeline was scheduled start moving sometime Tuesday, said a representative of Plains Midstream Canada. "Power has been restored to Nipisi and we are expecting to restart the 24-inch line from Nipisi to Edmonton sometime today," said spokeswoman Rina Blacklaws. ATCO Electric confirmed power to the Nipisi substation had been restored Saturday afternoon. Most of the region's power, except for a transmission line running north of Nipisi to Red Earth, has been restored, said Barry Goy, ATCO distribution operations director. Massive fires, which charred the town of Slave Lake a week ago, damaged transmission lines and the substation, about 80 kilometres north of the community. The outage shut down power to the Rainbow pipeline, forcing producers to scale back or shut in production because of lack of transportation out of the remote area.

NOVUS COMMENCES DRILLING PROGRAM

Novus Energy Inc. has announced that the Company has commenced drilling operations on its core land position in the Dodsland area of Saskatchewan. Immediately after the removal of road bans, Novus spudded its first well on May 11, 2011 in the Dodsland area. A second rig was mobilized to the field and drilling operations began on May 22, 2011. With two rigs now running, Novus expects to drill 52 net wells in the Dodsland area by the end of the third quarter, and 20 by the end of the second quarter. All support services for the drilling operations have been contracted and all pipe and wellheads are secured. A long term contract has been entered into with a large frac company allowing Novus to utilize four frac days per week commencing May 31, 2011. A total of 46 wells are anticipated to be completed and

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We would like to thank all applicants for their interest.
Only those candidates selected for an interview will be contacted.



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- Grade 12 High School Diploma along with a minimum 5 years experience in the oil and gas trucking industry.
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- Must provide own vehicle.
- Ability to work independently
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on production, assuming normal summer weather, by the end of September 2011, with 10 wells expected to be producing by the end of the second quarter. To enhance the turnaround time from the completion of wells to production being brought onstream, two full time crews have been

contracted and are devoted to surface installations. To support this project, all of the required tanks, hydraulic pumping units, rods, bottom hole pumps and wellheads have been delivered and are all on the ground in Kindersley, the main staging area for Company operations.

WANTED

Project Managers, Supervisors, Technical.
Come with proven oilfield construction background.

CANWEST PROJECTS INC.

Fax resume to: 403-261-8891

Upgrades at both of Novus' owned and operated facilities are set to commence in mid June 2011. Plans are underway to increase the treating capacity in our Whiteside facility from 800 boe/d to over 3,000 boe/d through the installation of further tankage and a treater and should be completed by quarter end. Immediately following completion, work will commence on our second facility in Avon Hills to bring the treating capacity up to 1,000 boe/d from the current 600 boe/d capacity and is expected to take around seven days to complete. Gas production from the Whiteside area is currently being conserved with a number of additional pipelines being surveyed to handle new solution gas from our current program.

The Company has previously provided guidance for an average production rate of approximately 2,400 boe/d for the year and an exit production rate of 3,000 boe/d with approximately 85% of exit production volumes comprised of oil and liquids. With wet weather conditions early in the year, the Company managed to drill three wells in the Dodsland area in the first quarter, and did not complete any of the wells drilled. As a result, the Company is now guiding for an average production rate of 2,125 boe/d for the year. The Company expects it will achieve its exit rate guidance of 3,000 boe/d and anticipates reaching this level early in the fourth quarter of the year. The Company also announced that it has obtained an increase to its credit facilities to \$40 million up from the previous \$28 million. The new facilities, comprised of a \$30 million revolving operating demand loan and a \$10 million acquisition and development demand loan, will be used to assist with the Company's 2011 drilling program. The 2011 capital program will exclusively be devoted to oil development activities and entails the drilling of 60 wells (57 net), the majority of which will be horizontal wells targeting light Viking oil at Dodsland, Saskatchewan. Novus will be operating 98% of the capital expenditures it incurs in 2011, which gives the Company significant flexibility on the timing and scale of its capital program. With recent land sale acquisitions the Company now has a total of 584 high quality risked Viking locations on its 112.75 sections of land in Dodsland. At the time of this press release the Company has 90 well licenses issued which prepares it for its drilling program into 2012.

SABLE ISLAND NG TO SHUT FOR A WEEK

Natural gas supply from the Sable Offshore Energy Project off the coast of Nova Scotia will be unavailable to flow on

the Maritimes Canada pipeline system for one week in June during planned maintenance work, two Spectra Energy pipeline units said Tuesday. The Sable project, operated by Exxon Mobil Corp., has the capacity to produce between 400 million and 500 million cubic feet of natural gas and 20,000 barrels of natural gas liquids per day. The project is owned by Exxon, Royal Dutch Shell, Imperial Oil Ltd, Pengrowth Energy Trust and Mosbacher Operating Ltd. Spectra operates the Maritimes & Northeast Pipeline system that brings offshore, onshore and LNG-sourced natural gas from the Sable project in Atlantic Canada to North American markets

LEGACY Q1 RESULTS

Legacy Oil Plus Gas Inc reported a first-quarter loss, hurt by higher costs arising from tough weather conditions in western Canada, and said expects reduced field activity throughout the second quarter. The company spent less capital than anticipated and delayed a number of capital projects because of severe cold and record snowfall in western Canada. The company also incurred costs, both in the first and the second quarter, for matting leases and access roads, pumping surface water off of leases, extra trucking and additional oil storage arising from extreme weather condition. Legacy Oil posted a loss of C\$2.85 million, or 2 Canadian cents a share, compared with a profit of C\$4.2 million, or 6 Canadian cents a share, a year earlier. However, petroleum and natural gas sales, net of royalties, jumped 48 percent to C\$69.3 million, helped by higher production. Average production rose to 12,854 barrels of oil equivalent per day (boe/d) in the first quarter from 6,221 boe/d a year earlier.

STATOIL HALTS HELICOPTER TRAFFIC DUE VOLCAN

Norwegian oil and gas company Statoil has halted helicopter traffic from Stavanger, a key port from which it transports workers to and from offshore installations, after Iceland's volcanic eruption. Statoil spokesman Ola Anders Skauby said on Tuesday flights from Stavanger in southwestern Norway and also Hammerfest, from which it serves minor operations in the Arctic Barents Sea, had been cancelled due to ash expected to come in over parts of Norway. "There will be a new weather update at (0700 GMT) when we will sit down with the helicopter operator and decide what to do," Skauby said, adding it was still too early to say whether oil and gas production would be affected. Norwegian



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Western Canada's Definitive Showcase for manufacturing solutions

The Western Manufacturing Technology Show (WMTS), proudly presented by the Society of Manufacturing Engineers, is back at Northlands from June 14 to 16, 2011 at the Edmonton EXPO Centre (7515 - 118 Ave). As Alberta's manufacturing sector is heating up, the time is now for industry professionals to address production challenges and learn best practices in order make their businesses thrive and be more competitive. "This is the event for manufacturers to grow their business and showcase the latest in technology development," says Janine Saperson, event manager. "For attendees, WMTS provides opportunities to learn, evaluate and compare technologies and solutions on a one-on-one basis. All under one roof, over three days." More than 2,000 attendees are expected to attend this highly anticipated biennial event.

Highlights of Alberta's manufacturing sector:

- 170 aerospace and aviation companies in Alberta employ 6,000+ highly skilled Albertans in areas like robotics and unmanned vehicle systems, defense electronics, space science and geomatics
- Alberta has \$15 billion per year of existing metal manufacturing, third only to Ontario and Quebec
- Alberta will require more than \$200 billion in new construction and maintenance spending over the next 25 years, much of it in fabricated metal products
- Canadian Energy Research Institute estimates that the oil sands will require 450,000+ annual work positions, totaling more than 11.4 million person-years of employment, over the next 25 years.

In addition to nearly 100 exhibitors, WMTS features an industry keynote, an interactive town hall panel and limitless opportunities to network and share ideas with like-minded colleagues. To learn more about WMTS, go to www.wmts.ca or call 888-322-7333.

The Society of Manufacturing Engineers (SME) connects manufacturing practitioners to each other, to the latest technology and the most up-to-date processes spanning all manufacturing industries and disciplines, including aerospace and defense, medical devices, motor vehicles, motorsports, and oil and gas. A 501(c)3 organization, SME has members in more than 70 countries and is supported by a network of technical communities and chapters worldwide.

airport operator Avinor said on Tuesday there would be restrictions to air traffic on the country's west coast as the ash cloud from the volcanic eruption on Iceland drifted towards Northern Europe.

GREENPEACE SHIPS APPROACH GREENLAND OIL RIG

Greenpeace says two of its ships are in a "tense standoff" with a Danish naval ship that is guarding an oil rig off the western coast of Greenland, where Cairn Energy is drilling for oil and gas. The environmental activist group said Tuesday that a 120-metre-long Danish warship is protecting the Leiv Eiriksson, one of two drilling vessels that Cairn Energy is using for its Arctic offshore exploration program this year. The group, which believes offshore drilling puts the Arctic at risk of a major oil spill or other

environmental accident, says its two ships are following the Leiv Eiriksson as it heads north. Scotland-based Cairn Energy, which drilled three exploration wells off Greenland's western coast last year, says it plans to drill up to four more wells this summer. The company said the chances of finding oil there are between 10 and 20 per cent, given the "frontier nature of the exploration and paucity of offset well information." Cairn Energy said it will deploy two drilling vessels as part of its safety plan this summer. Energy consultancy Wood Mackenzie has said Greenland could have reserves of 20 billion barrels of oil which could turn it into a major new oil producing region. Big oil companies including Exxon Mobil and Chevron have bought exploration licences off the coast of Greenland in a sea which is known as "iceberg alley".

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