

**NYMEX OIL: US\$82.98
+\$0.39**
November delivery
NYMEX N. Gas: US\$3.481
-\$0.117 per MMBTU
October delivery



ilfield NEWS

oilfieldnews.ca



Published By **NEWS COMMUNICATIONS** since 1977

Weekender

Saturday October 8, 2011

BLAST HITS SASKATCHEWAN REFINERY

At least 10 people were injured in an explosion and fire at Consumers' Co-operative Refineries Ltd's crude oil refinery on Thursday afternoon in Regina. At least 10 people were injured with eight being taken to hospital. The explosion seems to have been caused by a release of diesel and hydrogen gas according to the plant safety manager. Consumers' Co-operative Refineries Ltd. is a wholly owned subsidiary of Federated Co-operatives Ltd and processes about 100,000 barrels of crude oil a day.

HYDUKE ANNOUNCES RUSSIAN SERVICE CONTRACT

Hyduke Energy Services Inc. has announced that it has recently been awarded a contract to provide drilling equipment commissioning services for a Russian drilling contractor. The contract, valued at approximately \$3,000,000 will be completed over the next six months. Gordon McCormack, President and Chief Executive Officer, commented, "This is an excellent contract win for Hyduke. Russia is a target market for Hyduke and providing these services in Russia will strengthen our exposure to Russian contractors. It is a great opportunity to demonstrate our high level of equipment knowledge. We are excited about this win and are expecting to win more contracts as we perform and meet the customer's expectations."

ENBRIDGE LOOKING TO SHIP BAKKEN CRUDE TO US EAST COAST

Enbridge Inc. is mulling plans to ship crude from shale oil deposits in the western United States and Canada to East Coast refineries struggling with the high cost of importing crude from across the Atlantic. Enbridge has already sought regulatory approval to reverse its 240,000 barrels per day Montreal-to-Sarnia Line 9 pipeline to ship Bakken crude, and is seeking a deal with Portland Pipeline to ship east to Portland, Maine. From there, Enbridge could use tankers will then ferry the light crude to refineries south, said Patrick D. Daniel, the company's president and CEO told Reuters in an interview on Thursday. "There's interest to move light crude all the way into the Philadelphia market," Daniel said, adding Enbridge was also eyeing refineries in Montreal, Quebec City and St. John, Brunswick as possible customers. Midwest refiners have seen profits soar as rising flows of crude from Canada and the Bakken shale deposit in North Dakota flood the region. But with limited pipeline capacity to take that crude to larger markets like the Gulf Coast. Several companies, including Enbridge, are proposing new pipelines to get crude to the Gulf Coast. Daniel said Bakken producers will face even more pressure to find markets once BP Plc completes a \$4 billion project to process more Canadian heavy crude at its 405,000 bpd refinery in Whiting, Indiana by mid-2013. This makes an East Coast outlet

LOWBOY DRIVER NEEDED!!

Required Skills:

- 3+ years 48 - 60 wheel experience
- Able to travel overnight in AB & SK

Top wages, benefits and incentives

Forward your resume to:

Fax: (780) 468-2668

Email:

careers@sprague-rosser.com



RENT TO OWN

EDMONTON

1 & 2 Bedroom Condominiums
2 & 3 Bedroom Houses

(780) 447 - R7E3N6T8

WHOLESALE DIAMOND

Replacement Experts
Diamond Shippers

1-800-798-7176

more attractive. "That will take more ability to receive light crude out of the market, which means we're going to have to find a broader market for Canadian synthetic and light and also Bakken light crude," Daniel said. For East Coast refiners, the Bakken crude could potentially provide a cheaper alternative to the West African and North Sea slate they primarily depend upon. These grades are tied to Brent futures, which are trading at a steep premium to the U.S. benchmark due to the high inventory levels in the Midwest, the delivery point for the contract. Brent's premium to U.S. crude topped \$27 a barrel in September. Three East Coast refineries were put on the block for sale last month due to poor profits. ConocoPhillips said it will sell or shutter its 185,000 bpd plant in Trainer, Pennsylvania, in late September following Sunoco's decision to put over 500,000 bpd of refining

HIGH ARCTIC ENERGY SERVICES

QHSE MANAGER

Based out of our Red Deer office, the QHSE Manager will be responsible for the Company's domestic planning, development and coordination of the Quality, Health, Safety and Environmental Management program that aligns with the philosophy of the Company's Corporate Safety Policy.

The ideal candidate will have a minimum of 7 years industry experience. Certification in leadership skills, team building and communication is a must. You will have a sound knowledge in all applicable regulations in the jurisdictions which the company operates, such as WCB, OH&S, Transport Canada and ERCB. Solid working knowledge of accident/incident investigations will compliment your post-secondary training in health, safety and the environment. Preference will be given to those who possess their COR Auditor certification.

If you are pro-active, capable of managing various projects and results driven, then we want to hear from you!

High Arctic Energy Services Inc.

Fax: 403-340-1047

Email: bonnie.snair@haes.ca

Visit our website at: www.haes.ca

FOR SALE

Fernwood Guest House

in Delta, just Minutes from
the Ferry to Vancouver Island

A short walk from attractive shops
and pleasant local restaurants

www.fernwoodguesthouse.com

Call Inger Kam for more information

604.948.4884

LAKE LOTS BY SUNRIDGE ON DUNCAIRN DAM



**SERVICED AND DEEDED
FROM \$39,000.**

Ask about our fall discounts at
sunridgelakelots.com

306 774 5793

capacity in Pennsylvania for sale.

VENEZUELA PROPOSES COMPENSATION FOR EXXON

Venezuela has proposed paying Exxon Mobil Corp \$1 billion in compensation for the nationalization of its assets in 2007, much less than the U.S. oil giant wanted. Prosecutor General Carlos Escarra, telling reporters the company had cut its compensation demand to \$6 billion. In a statement late on Wednesday, Venezuela's state oil company PDVSA said Exxon's demand was excessive and insulting. "The state oil company is not willing to pay the sum sought by Exxon Mobil as it believes the amount is outrageous, abusive and intended to charge the people for what is the sovereign exercise of its oil policy," PDVSA said. Venezuela is battling about 20 arbitration cases triggered by

nationalizations that were ordered by President Chavez's socialist administration. The biggest by far are the cases brought by oil majors Exxon and ConocoPhillips. The Exxon and Conoco cases stem from the 2007 state takeover of extra heavy crude projects in Venezuela's Orinoco Belt, one of the biggest oil deposits in the world. The two companies originally claimed more than \$40 billion in combined compensation, while Venezuela's state oil company PDVSA calculated the assets, after payments to creditors, were worth less than \$2 billion. The dispute with Exxon is particularly fractious. In early 2008 the company won a court order to freeze \$12 billion of PDVSA assets. The freeze was swiftly overturned. Some analysts say PDVSA might have to sell overseas holdings to meet a big compensation bill. The company has cash flow problems

despite high oil prices because most of its income goes toward funding Chavez's socialist spending. But Ramirez says PDVSA is fully solvent, would not have to sell assets, and already has a compensation plan in place.

**HELMERICH & PAYNE
SUES VENEZUELA'S PDVSA**

U.S. oil and gas driller Helmerich & Payne Inc said its units have filed a lawsuit in a U.S. district court against Venezuela and two state-owned companies seeking damages for "forcibly taking" 11 of its drilling rigs. Venezuela last year nationalized Helmerich's fleet that was idled for months following a dispute over pending payments by the OPEC member's state oil company PDVSA. "Plaintiffs seek damages for the taking of their Venezuelan drilling business in violation of international law and for breach of contract," Helmerich said in a filing with the U.S. Securities and Exchange Commission. "At this time the net impact of this matter on the company's consolidated financial results, if any, cannot be reasonably estimated." The lawsuit, filed in the District Court for Columbia on Sept. 23, is against Venezuela, Petr leos de Venezuela and PDVSA Petr leo.

**EXXON EXPANDING
UTICA SHALE FOOTPRINT**

Exxon Mobil Corp continues to acquire acreage in the Utica shale in Ohio, as the oil and gas major moves to capitalize on what is thought to be one of the biggest sources of crude oil in the United States. Exxon is active in both the Marcellus and the Utica shales, company spokesman Jeff Neu told Reuters by email, adding that it was still too early in the process to divulge details. The Utica shale, which stretches southwest from New York and Canada to Tennessee, lies roughly 3,000 to 7,000 feet beneath the better-known Marcellus shale formation. The area is swarming with oil and gas companies, such as Chesapeake Energy Corp and Hess Corp, staking their claims to a huge formation whose potential remains as yet unknown. Exxon has a large presence in the Marcellus shale after it bought natural gas company XTO Energy for about \$30 billion last year and two private companies this year for \$1.69 billion.

**SINOPEC BUILDS OIL
PRODUCTS TRADING DESK**

Sinopec Corp has built an oil products trading desk in London, said sources familiar with the company, in the latest sign Chinese businesses are looking to increase their control of the flow of fuel essential to the country's economic growth. Unipeq, the trading arm of top Asian refiner Sinopec which is already active in the European crude oil market, has signed six people to a newly established oil products trading desk, the sources said. Last December Reuters reported that Unipeq had signed Simon Hillyer from Chevron to recruit a new oil products trading team. He has now hired five other oil product traders. There are now 50 staff at Unipeq in London, and its last 10-15 recruits have been traders, including for its existing crude oil desk, the sources said. Analysts said the trading build-up reflects the desire of big Chinese companies to better control the movement and price of key strategic assets. "If you are importing products from Europe, you want to be closer to the price-making and market

**WEST GROVE
ESTATES**

**New Show Home
NOW OPEN!**

*Located in the heart of
Calgary's coveted west end*



2500 SQ. FT.
STARTING FROM

\$899,000 HOME, LOT & GST

- Estate living amongst beautiful surroundings
- 15 Minutes to down town
- On Calgary's list of top desirable communities
- Luxurious, premium specifications & craftsmanship
- Great amenities & schools



202 West Grove Rise
Ph: 403.452.3057
Area Manager Wayne Evans

Quality is our Obsession
www.augustafinehomes.com

mechanisms," said Olivier Jakob, an oil analyst at Petromatrix in Zug, Switzerland. Officials at Unipeq were not immediately available for comment. Jonathan Moss, who joined from Itochu, and Paul Jones, who was at Chevron, will cover middle distillate oil products, dealing in gasoil, diesel and jet fuel, the sources said. Paul Green joins from Trafigura and Andy Kearns

from Glencore as fuel oil traders. The company has also signed Tracey Soar from AOT to cover African products. The move comes around the same time that PetroChina has signed two diesel traders in its London office -- Adrian Jacobs, a former distillates trader from Hetco, and Angela Cranmer, formerly of RWE. One trade source said that PetroChina was planning to

build a team of about 100 employees in its trading venture. Jakob at Petromatrix said companies with Russian ownership such as Gunvor and Lukoil have also moved in recent years to build up their trading capabilities in Western Europe. "Initially you get served by companies, and you want to get closer and closer to the source." he said



'Experience an Award Winning Builder'

Enjoy the Shuswap Lake Lifestyle

Whether you're planning your retirement dream, considering a major renovation, or seeking design and project management, Award Winning Copper Island Fine Homes is your contractor of choice in the Shuswap.

Visit us at
www.copperislandfinehomes.ca

(Bus) 250.675.3701
(Cell) 250.833.8718

(Fax) 877.273.7506
E-mail gvistisen@telus.net