

**NYMEX OIL: US\$99.01  
+\$0.70**  
November delivery  
**NYMEX N. Gas: US\$2.956**  
-\$0.081 per MMBTU  
October delivery



  
oilfieldnews.ca



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#### OIL A GAS 2011 REVIEW

Capital expenditures by the conventional oil and gas extraction industry totalled \$39.6 billion in 2011, up 12.7% from 2010. The non-conventional sector capital expenditures increased 31.9% to \$23.3 billion. Operating expenses for the conventional sector rose 9.6% from 2010 to \$27.7 billion, mainly the result of higher royalty payments. For the non-conventional sector, operating expenses increased 32.4% to \$22.8 billion, mainly a result of higher royalty payments and operating costs. Crude oil and equivalent production increased 4.8% from 2010 to 175.8 million cubic metres in 2011. Marketable production of natural gas by-products increased by 2.2% while natural gas (0.0%) was unchanged. The value of crude oil and equivalent hydrocarbons produced totalled \$95.8 billion in 2011, up 25.8% from \$76.2 billion in 2010. The increase was mainly attributable to higher wellhead prices in 2011. The value of natural gas marketable production decreased 8.7% from 2010 to \$18.0 billion, as a result of lower wellhead prices in 2011. The value of natural gas by-products increased 14.9% to \$7.6 billion.

#### OIL RISES ON U.S. STIMULUS

Oil rose in robust trading on Thursday, extending gains for a sixth session, after the U.S. Federal Reserve launched another stimulus program in which it will buy \$40 billion of mortgage debt per month until the outlook for jobs improves. Prices see-sawed after the statement, initially jumping \$1 and then swinging lower before climbing back into positive territory on expectations the move would encourage investors to push money into riskier assets including commodities and equities, as they have after previous stimulus initiatives. The Thomson Reuters-Jefferies CRB commodity index rose 0.4 percent to touch the highest level since March, while equities markets extended gains. "The seemingly opened purchase of mortgage-backed securities at \$40 billion per month gives the markets the QE3 that had been priced in to a great degree," said John Kilduff, partner at Again Capital LLC in New York. "The Fed's policy moves will likely push oil prices higher, but you must be mindful that the policy considerations are a reaction to underlying conditions that are not favorable to a robust demand environment for oil, at the same time." Front-month October Brent crude, which expires on Thursday, traded up 92 cents to \$116.88 a barrel at 2:43 p.m. EDT (1843 GMT), marking the sixth straight session the international benchmark has traded higher. The more actively traded November contract gained 9 cents to trade at \$115.42 a barrel. U.S. crude rose \$1.30



## KBR Wabi

*When you become part of the KBR Wabi Ltd. team, your opportunities are endless. As a leading engineering, construction and services company, we offer challenging assignments across Canada. Our clients value us because they know, We Deliver.*

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KKBR Wabi Ltd. is a growing company and is expanding in Western Canada in the Mining and Oil and Gas Industry. We are currently recruiting for the following positions at all skill & experience levels for projects near Fort McMurray, Fort St. John and Dawson Creek, British Columbia, and on other job sites across Western Canada:

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**Assignment Conditions:**

- Shift Cycle - 14 days on, followed by 7 days off , 11 hours per day
- Camp Accommodations or Living Out Allowance
- Flights Provided

**Basic Requirements:**

- Experience in oil and gas is considered an asset.
- Ability to work in a fast paced environment, under pressure with sound judgment.
- Knowledge of health and safety practices and a recognition that all employees play a part to ensure a safe workplace.
- Further specifications will be detailed as required for the job site.

**The Benefits:**

We offer a selection of competitive wages with incentives, and a comprehensive lifestyle benefits package. We support career advancement through professional training, on-the-job training (OJT), and ongoing development opportunities.

**How to Apply:**

Please submit your resume with the position(s) of interest in the heading of your email or fax cover sheet to:  
Human Resources  
Email: [WabiHR@kbr.com](mailto:WabiHR@kbr.com) Fax: (705) 647-4451  
Online: <https://kbr.taleo.net/careersection/9/jobsearch.ft?lang=en&portal=22140124502>

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to settle at \$98.31 a barrel, off earlier highs of \$98.58, the highest since \$102.72 on May 4. Crude has steadily climbed over the past week, bolstered by supply concerns, fresh unrest in oil producing countries, and Fed expectations. The gains sent both Brent and U.S. crude toward technical levels that indicate they may be overbought. Brent and U.S. futures climbed to over 65 on the Relative Strength Index. It is generally seen that a commodity is overbought when it reaches 70. Trading was heavy in both contracts, with Brent volume up 16 percent over the 30-day average, while US volume was 30 percent above that average.

#### SYNTHETIC PREMIUM JUMPS AS SUPPLIES TIGHTEN

Canadian synthetic crude premiums climbed on Wednesday to their highest in 13 months as supplies remained tight with a processing unit at Suncor Energy Inc's oil sands facility down for planned maintenance and a report of an outage of equipment at Syncrude Canada Ltd. Light synthetic for October delivery last sold for \$14.75 a barrel over benchmark West Texas Intermediate, up \$1 from the day before, its widest premium since August 19, 2011, according to Shorcan Energy Brokers. Suncor said last week that the upkeep on a vacuum tower at one of its upgraders will

include shutting a coker unit at the Northern Alberta site. The turnaround is scheduled to last six weeks. Canadian Oil Sands Ltd, the largest interest owner of Syncrude, declined to comment on a Bloomberg report that a steam generator at the Northern Alberta site's Aurora mine could be down for as long as a month. The equipment helps separate the bitumen from the sand. "From time to time there are minor upsets at Syncrude; Canadian Oil Sands only provides operational updates if there is a material change to our annual production outlook," spokeswoman Alison Trollope said in an email. One industry source said market speculation is that

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**MORGAN \$30.00 - \$34.00/Hour**

MORGAN CONSTRUCTION AND ENVIRONMENTAL LTD (MCEL) is currently looking to fill the following positions for work in the oilfield and heavy civil construction projects across Alberta.

- Experienced Heavy Equipment Operators
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**WHAT WE OFFER:**

- Camp/hotel accommodations while on rotation
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Please submit resumes to [careers@mcel.ca](mailto:careers@mcel.ca) or fax 780-960-8930.

Thank you for your interest in Morgan Construction, only those selected for an interview will be contacted.

**Western Forest Product Inc.**

is seeking a fully qualified

**Excavator Operator**

to join our Mid Island Forest Operation located approximately 20 minutes north of Campbell River.

Must have minimum 3 years west coast road construction experience.

Must have experience end hauling material, constructing keyed rock fills and and constructing large wood box culverts.

The wages is \$30.27/hr. The shifts is 6x3. Please fax resume, including references. to Operations Administrator at

**(250) 287-8387**

issue is expected to reduce Syncrude's September shipments by 500,000 barrels - a rough average of 25,000 barrels a day if the outage lasts for 20 days, for instance - and there had been no word of the impact in October. Fat premiums come after both Suncor and Syncrude pumped out big jumps in volume in August. Suncor produced a company-record 373,000 barrels a day, up from 351,000 the month before. Syncrude produced 359,500 bpd, up from 262,000 in July and the most since December 2009, according to Canadian Oil Sands Ltd, which has the biggest ownership stake in the joint venture. Heavy crude prices also strengthened on Wednesday. Western Canada Select heavy blend was last quoted at \$9.50 a barrel under WTI, compared with \$10.75 a barrel under on Tuesday.

**TORC AND VERO MERGE**

Vero Energy Inc. and TORC Oil & Gas Ltd. have announced that they have entered

into an agreement that provides for the combination of Vero and TORC to create a new light oil focused company. TORC, currently a private oil and gas company with focused operations in the Cardium light oil resource trend and in the southern Alberta Bakken petroleum system will be combined with Vero's focused Cardium light oil assets. Concurrent with the Transaction, TORC has entered into a \$100 million "bought deal" private placement financing with a syndicate of underwriters as described below. The combined entity will be financially strong and well positioned with a large inventory of lower risk, high netback Cardium light oil development assets, complemented by significant exposure to TORC's emerging Monarch light oil resource play in the southern Alberta Bakken petroleum system. The combination will be effected by way of a plan of arrangement under the *Business Corporations Act* (Alberta). The Arrangement steps will result in the



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**Skill and Qualifications for all positions:**

- Certified Journeyman Trade ticket
- CSTS ticket
- The ability to read and understand complex instructions and drawings
- Must understand and comply with site safety policies and procedures.

**Requirements for all positions:**

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- Willing to work in remote job locations
- Able to work in a fast paced team environment
- Willing to work shifts (10 hours, 12 hours, day/night shifts)
- Ability to lift and work with materials weighing up to 25kg
- Able to work in all weather conditions and environments
- Job sites require pre-access A&D test clearance

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Canonbie is a multi-disciplined construction company offering superior civil, electrical and mechanical services including piping, insulation, scaffolding, and module fabrication. Headquartered in Sherwood Park, Alberta, Canada, and currently managing construction projects in Wabasca and Wood Buffalo Regions of Alberta and Cigar Lake in Saskatchewan we are ideally positioned to provide exceptional service to all our clients. For more information please visit our website ([www.canonbie.ca](http://www.canonbie.ca))

Canonbie is associated with the Christian Labour Association of Canada (CLAC) and offers a comprehensive and competitive pay and benefits package.

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combination of Vero and TORC under the new name TORC Oil & Gas Ltd. under the TSX trading symbol "TOG". The Transaction is intended to be structured as a tax deferred rollover for shareholders of both entities. New TORC will be led by the existing management team and board of directors of TORC. The TORC management team is led by Brett Herman as President & Chief Executive Officer, Jason Zabinsky as VP Finance and Chief Financial Officer, Eric Strachan as VP Exploration, Jeremy Wallis as VP Land, Mike Wihak as VP Operations and Filippo Angelini as VP and Controller. Upon completion of the Arrangement, the New TORC board of directors will be comprised of John Brussa, Raymond Chan (Chairman), Bruce Chernoff, Brett Herman, Dave Johnson, Dale Shwed, and Hank Swartout. James Pasioka will act as corporate secretary..

**ARGENT ANNOUNCES 2012 AND 2013 CAPITAL BUDGET**  
The Board of Directors has approved a 2012 remaining year capital budget of US\$28.7 million and a 2013 capital budget of US\$36.5 million. Argent intends to drill a total of 14 horizontal wells (which include nine Austin Chalk oil wells and five Eagle Ford oil wells) and one vertical South Texas natural gas well as well as related minor

infrastructure. As a result, Argent, which is currently producing approximately 1,600 boe/d, expects to achieve a 2012 production exit rate of approximately 2,300 to 2,400 boe/d and a 2013 average production rate of approximately 3,000 to 3,100 boe/d with operating costs ranging from approximately US\$6.00 to \$7.00 per boe. The above capital budget numbers include both an increase in capital and an increase in activity since Argent filed its long form prospectus on August 1, 2012. As a result of the available additional capital from the closing of the IPO overallotment, Argent has increased its working interest in five of the nine planned Austin Chalk wells (from an average 65.47% to a current 96.71% working interest ownership). Argent is also planning to drill an additional three Austin Chalk wells over the next 15 months, to accelerate the Eagle Ford program in the Trust's overall development plan, and to test 2 new zones (Buda and Lower Austin Chalk) in 2 separate Austin Chalk wells. The Eagle Ford program has been accelerated as a result of the increased activity and results since the beginning of 2012 around Argent's properties. Only four Eagle Ford competitor wells were drilled and producing in the vicinity of Argent's lands to the end of 2011. There have been an additional 20 new Eagle Ford wells drilled and completed and over 30 new wells permitted this year. This increased competitor activity has allowed Argent to benefit from competitors' experience in the area to now optimally drill and complete wells on Argent's properties. This accelerated program is expected to add significant reserves and value to the company. We are forecasting a 2013

## The Bergg HOMES Team



Steven Bergg      Allen Epp      Annette J. Bergg

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payout ratio of approximately 55% at US\$96.90 WTI per barrel of oil and US\$3.46 NYMEX per Mcf of natural gas.

#### PERPETUAL ASSET DISPOSITION

Perpetual Energy Inc. has announced further positive results from the Corporation's asset disposition program announced in November 2011. Subsequent to the end of the second quarter Perpetual has closed several transactions for realized proceeds of \$14.0 million from the sale of assets in southern and northeast Alberta. The disposed assets consisted of non-core assets in

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## Bearspaw - Woodland Way



\$1,695,000

### 31221 Woodland Way, NW

Open House Saturday and Sunday, 2-4:30pm

West on Crowchild Trail (Hwy 1A) to Woodland Road North,  
West on Woodland Close to Woodland Way

McKinley Master luxurious appointments and finishings are evident in this 4500 sq ft, three bedroom walkout bungalow with cherry wood and slate flooring to the gourmet kitchen with state-of-the-art appliances, granite counters and breakfast nook to the huge master retreat, formal dining room, private office, cozy great room with access to the covered patio deck, built-in Bar-B-Q and spectacular views of the pond, streams, water fall and surrounding pathways. The welcoming foyer leads to the fan staircase and lower level with in-slab, heated Travertine tile flooring, two more adult bedrooms, games room/entertaining area, fireplace, wet bar, fridge, dish washer, wine room and state-of-the-art media centre. The bright open span six vehicle garage has heated, epoxy flooring, two floor drains, storage cabinets, work bench and access to the lower level utility area. Located on 3.8 acres in the midst of mature aspen trees and spectacular landscaping, this private estate home with paved drive, is protected by an electronic gate and fencing.

Virtual Tour at

[http://greenproductionsinc.com/?page\\_id=377](http://greenproductionsinc.com/?page_id=377)

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Phone: 403-270-7300  
Web: <http://www.billbateman.ca>



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northeast Alberta, shut-in gas over bitumen reserves and the strategic crystallization of value on a portion of an oil pool in southern Alberta. As part of the strategic oil transaction, the Corporation received an additional capital commitment of \$1.1 million in late August to advance the development of a Mannville heavy oil pool for implementation of an enhanced oil recovery scheme. The dispositions include production of approximately 147 bbl/d of oil and 2.0 MMcf/d of gas production net to Perpetual. Perpetual will continue to receive the gas over bitumen financial solution associated with the shut-in gas reserves. With the recent dispositions, total proceeds realized through the asset disposition program now total \$165 million, exceeding the targeted \$75 to \$150 million. The proceeds of the dispositions have been applied to reduce outstanding bank debt. Current drawings on the Corporation's credit facility are approximately \$85 million relative to a \$140 million borrowing base which is confirmed through October 31, 2012, the next scheduled date for the customary semi-annual review by the lenders of the credit facility.