Sign Up with the Oilfield News Online

Weekender

Oilfield NEWS

www.oilfieldnews.ca

Published By: NEWS COMMUNICATIONS since 1977

Saturday February 1st, 2014

STATE OF THE UNION AUDIENCE WILL SEE HARPER IN ANTI-KEYSTONE AD

Prime Minister Stephen Harper will make a cameo appearance on an international stage Tuesday night — though it's hardly one he would have chosen.

The prime minister will be cast in the villain's role in an anti-Keystone XL pipeline ad airing during the U.S. broadcast of President Barack Obama's state of the union address.

The ad is designed to build pressure from elements of Obama's political base who want him to reject the pipeline, and it will be broadcast to the mostly left-leaning audience of the MSNBC network before and after the president's speech.

Harper's image appears at the beginning and the end of the ad. It shows him shaking hands with the ex-premier of China, Wen Jiabao.

'Sucker-punch to America's heartland'

The message of the spot is that the proposed pipeline would benefit Chinese companies heavily invested in the oilsands far more than it would help ordinary American consumers.

"It's a sucker-punch to America's heartland," says the narrator, while the Chinese and Canadian leaders are seen pressing palms.

"(The Chinese are) counting on the U.S. to approve TransCanada's pipeline to ship oil through America's heartland and out to foreign countries like theirs. ...Keystone's a sucker's deal for America. Just say no to Keystone."

The ad is being paid for by NextGen Climate Group, led by the deep-pocketed Obama donor and bitter oilsands foe Tom Steyer.

It airs amid anticipation that a crucial State Department review of the project could be released within days, with a final decision coming from Obama sometime after.

There's been no signal from the White House that the pipeline will come up in the president's speech. His friends and foes, however, will raise it Tuesday.

While he's being squeezed by his friends on the left, his opponents on the right have consistently used Keystone to bash him.

It would be surprising if the Republicans didn't refer to Keystone in their reply to the speech, given that they raise the issue at virtually every discussion on economic issues as the illustration par excellence of the president's job-killing, big-government regulatory zealousness.

Republicans keen on project

The Republicans mentioned Keystone in their weekly address looking ahead to the state of the union speech.

"The president's own State Department acknowledged that the Keystone XL pipeline — as just one example — would create tens of thousands of jobs at no cost to taxpayers," said Sen. Roy Blunt of Missouri.

"Now, this project has been stalled for more than five years. It's time for President Obama to approve truly shovel-ready projects like Keystone to encourage private-sector job creation."

The president and his advisers have repeatedly telegraphed that income inequality is their chosen issue for 2014 — a year of midterm elections that will determine whether Democrats exercise any control of Congress for the rest of Obama's presidency.

They point to studies suggesting that economic growth, once shared more equally, now creates spectacular gains for some and crumbs or even losses for the rest.

Obama to make 2014 'Year of Action'

There are also polls suggesting the theme might have some political resonance with swing voters.

Obama appears poised to push for a minimum-wage increase, and preschool for all four-year-olds as part of his broader program. And if Congress doesn't make it happen, he plans to use the power of the presidency to ram that agenda through.

He has told his cabinet that 2014 will be a "year of action" — this is after what's widely seen as a wasted year, marked by a succession of scandals, nosediving popularity, and a rocky launch of the Obamacare insurance exchanges.

And he's made it clear he's willing to unleash a barrage of executive orders to make it happen.

House Speaker John Boehner decried the president's approach, especially after the Republican caucus had begun recently signalling a greater willingness to actually work with the administration.

The top Republican in the Senate, Mitch McConnell, offered two ideas to kick-start the economy this week.

"He could approve the Keystone pipeline," the Kentucky senator told Fox News Sunday. "He could work with us on trade agreements. My party is much more interested in global trade than the Democrats are.

"If he would convince his own members, we can do some business on trade. And he ought to stop things like the war on coal in my state, which have cost us 5,000 jobs during his administration."

OIL PIPELINE BUILDER BETRAYED BY PARTNER, JURY TOLD

Energy Transfer Partners LP (ETP) was dropped from a deal to build a pipeline from Oklahoma to the Texas Gulf Coast when collaborator Enterprise Products Partners LP (EPD) realized it could make more money with another company, a lawyer told a jury.

"They did it for greed, money -- not a little bit of money, billions of dollars of money," Mike Lynn, an attorney for Energy Transfer, said in his opening statement today at a state court trial in Dallas.

The Energy Transfer-Enterprise pipeline, called the Double E, would have carried crude oil from a hub in Cushing, Oklahoma, to the Gulf of Mexico, competing for business with the southern leg of TransCanada

Corp. (TRP)'s Keystone XL Pipeline.

Months after entering into the joint venture, Enterprise replaced Energy Transfer with the U.S. unit of Calgary-based Enbridge Inc. (ENB), Canada's biggest transporter of crude oil.

Energy Transfer, based in Dallas, sustained at least $594 million in damages when Houston-based Enterprise cut it out of the plan in 2011, Lynn said. An expert witness will testify that the sum may be as much as $1.3 billion, a quarter of the profit the pipeline will generate over its lifetime, he said.

'Another Opportunity'

"There is not going to be another opportunity like this," Lynn said, referring to the deal. "We will never get it again."

Enterprise and Enbridge lawyers denied the allegations in their opening statements, telling jurors that there was no formal partnership agreement between Energy Transfer and Enterprise and that the proposed project had failed to generate market interest.

"You have heard there is an oral partnership agreement between ETP and my client but you will not see any partnership agreement at all," Enterprise's lawyer, David Beck, told jurors.

The three agreements his client and Energy Transfer signed were non-binding and preliminary to a formal partnership, which was never formed, he told jurors. Energy Transfer was creating a "partnership by ambush," Beck said.

"That project failed and it failed for a very good reasons," Beck said.

"They couldn't get enough shippers to agree to ship on that pipeline."

Keystone Competition

Enbridge's lawyer, Michael Steinberg, said his client had been considering building a pipeline between Cushing and the gulf since at least 2010 as the last leg of a conduit from Alberta that could compete with the TransCanada's Keystone project.

The pipeline project that ultimately went forward with Enterprise was completely different from the plan Enterprise contemplated with Energy Transfer Partners, he said.

The Enbrige-Enterprise project entailed purchasing the Seaway Pipeline, an existing conduit that runs from the gulf to Cushing, reversing its flow and then building a twin alongside it, Steinberg said.

Steinberg said Enbridge knew little about the dealings between Enterprise and Energy Transfer before it entered discussions with Enterprise in August 2011.

"Enbridge did not do a thing wrong in this case," he said, arguing the jury should award Energy Transfer nothing.

Energy Transfer President and Chief Operating Officer Marshall McCrea was his company's first witness. He told the court he was "shocked" to learn Enterprise had pulled out of the joint venture. The two companies had just signed Chesapeake Energy Corp. (CHK) to a 10-year, $800 million deal to ship oil through the planned Double E, McCrea told the court.

His testimony is slated to continue when the trial resumes before Dallas County District Judge Emily Tobolowsky on Feb. 3. Jury selection for the trial, which is scheduled to last five weeks, began on Jan. 27.

The case is Energy Transfer Partners LP v. Enterprise Products Partners LP, DC-11-12667, District Court, Dallas County, Texas (Dallas).

CANADA'S ECONOMY GROWS FOR FIFTH STRAIGHT MONTH ON ENERGY GAINS

Canada's gross domestic product expanded for a fifth straight month in November as the nation's oil and gas production rebounded, adding to evidence the nation's economy is picking up steam.

Output rose 0.2 percent from October to an annualized C$1.61 trillion ($1.44 trillion), Statistics Canada said today in Ottawa. Analysts surveyed by Bloomberg forecast a 0.2 percent expansion, based on the median of 18 estimates.

The data support the Bank of Canada's view that momentum in the world's 11th largest economy was building in the second half after a slowdown earlier in 2013. The central bank forecast this month that annualized growth would be 2.5 percent in the fourth quarter following a 2.7 percent third-quarter pace, up from an average of 1.4 percent over the previous seven quarters.

Oil and gas production rose 2.6 percent in November after declining the previous month, while mining and quarrying increased 1.3 percent. Output of utilities rose 2.1 percent on higher demand for electricity and natural gas because of colder than usual weather, Statistics Canada said.

Manufacturing fell 0.5 percent, following two months of gains, the government agency said.

From a year earlier, GDP grew 2.6 percent in November, Statistics Canada said, in line with analyst forecasts.

After outperforming the U.S. from 2007 to 2011, Canada's economy began to lag behind its largest trading partner in 2012.

That underperformance, which included a slowing job market in 2013, helped fuel a 10 percent decline in the Canadian dollar over the past year. Statistics Canada today revised jobs data reported earlier this month to show the economy lost 44,000 jobs in December, from an initially reported 45,900 loss.

The full-year job gains were revised down to 99,000 in 2013, from an initially reported 102,000. Full-time job gains in 2013 were revised down to 5,300 from 19,200. The jobless rate was unrevised at 7.2 percent.

CRUDE OIL PROPOSALS CREATE 'VERY HIGH' B.C. COAST RISK

The coast of southern British Columbia is one of the Canadian areas most vulnerable to marine oil spills and among the most likely for a major spill to occur, according to a government-commissioned risk analysis.

The study, delivered this month to Transport Canada, looks at the risks associated with marine oil spills south of the 60th parallel under current shipping volumes.

It identifies the southern tip of Vancouver Island, the Cabot Strait off Newfoundland, the eastern coast of Cape Breton Island and the Gulf of St. Lawrence as the most probable areas for a major oil spill.

“These results demonstrate the need for Canada to tailor its preparedness efforts for each sector of the country, as the risks across the country are demonstrably different,” says the study by WSP Canada Inc.

Tanker traffic in Vancouver Harbour would increase significantly if the Trans Mountian Pipeline expansion is approved, as would traffic around the southern top of Vancouver Island. (Jonathan Hayward/Canadian Press)

While observing that the “risk of large spills is generally low in Canada,” the 256-page study finds that small spills “can also cause significant damage and are likely to happen much more frequently than larger spills.”

Getting Canadian crude oil to tidewater for export has been a major preoccupation of the Conservative government in Ottawa, and the findings will add to the debate over several pipeline proposals — including two in B.C. that the report says will substantially increase marine risks.

On Thursday, Natural Resources Minister Joe Oliver is expected introduce legislation dealing with offshore energy safety in an effort to get ahead of environmental concerns over Canada’s oil boom. He’s also expected to dramatically beef up nuclear industry liabilities.

The study for Transport Canada offers a mixed review for future risks, but it’s not a picture likely to mollify concerns in B.C.

Near-shore risks ‘very high’

The report assessed the potential impact of four proposed pipeline projects, including the Northern Gateway pipeline to Kitimat and Kinder Morgan’s plan to almost triple its Trans Mountain line into Vancouver.

The report says the Kinder Morgan proposal “would essentially double the volume of oil passing through” an already vulnerable marine environment, the area south of Vancouver Island where Washington-bound oil tankers are common.

“Doubling the volume of oil passing through Pacific sub-sector 5 would likely increase the spill risks to ‘very high’ for all zones (nearshore, intermediate and deep sea) for 10,000 square meter spill volume and greater,” says the report.

The Northern Gateway marine route through the Douglas Channel out of Kitimat, meanwhile, would “raise the near-shore risk from ‘very low’ to ‘very high’ as observed in the Vancouver region (sub-sector 5),” states the report.

And risks for the largest spills in the deep sea sectors off the B.C. coast would rise from low to medium “due to the increase in traffic of very large volumes from sub-sector 2 to Asia or California.”

However, pipeline proposals in the east weren’t found to raise the risk of marine spills.

The study found that reversing Enbridge’s Line 9 to carry Western Canadian crude to refineries in Montreal and Quebec City would actually lower marine spill risks, as it would reduce oil imports through the sensitive Gulf of St. Lawrence.

And the study found that the proposed Energy East Pipeline to St. John, N.B., would likely be a wash, reducing shipping imports but increasing oil exports to leave the overall marine risk about where it is now.

NEXTRACTION SPUDS HZ WELL ON PROVOST PROPERTY

Nextraction Energy Corp. announced it has spud the 102/12-36-036-07W4 (12-36) horizontal well on its light oil property in Provost, Alberta. The well is targeting the Viking formation at a depth of 2,625 feet (800 meters) and will have a horizontal leg of approximately 2,133 feet (650 meters). The well is being drilled on the same geological trend as the Company’s successful 102/16-34-036-07W4 drilled in August 2012, which has recovered over 26,000 barrels of oil to date. Two successful wells drilled on offsetting land in 2013 on the same trend have produced over 16,000 barrels of oil combined in their first 5 months of production.

The well is being drilled on Nextraction’s 50 percent working interest land; however the Company’s joint venture partner has elected not to participate in the well. Therefore, Nextraction will be the operator and will pay for 100 percent of the costs to drill, complete and equip the well and will retain a 100 percent working interest in the well until such time as 300 percent of the partner’s shares of the costs have been recovered from the partner’s share of the net operating income from the well.

Company President Kent Edney stated, “We are very excited to be drilling on our Provost property again. The success of our 16-34 and 13-6 wells on our land, combined with the successful wells on the offsetting operators land, have shown that Nextraction’s Provost Viking pool has the potential to develop some of the top Viking producers in the area.”

FRACKING WASTE WATER LEAK IN KENNETCOOK INVESTIGATED

There are an estimated 27 million litres of fracking waste water in Nova Scotia

Provincial environment officials are looking into a leak of fracking waste water at holding ponds in Kennetcook, N.S.

The water has been there for years in two large holding ponds. Nova Scotia’s Environment Department ordered them covered this year.

The problem is, the heavy snow and rain in recent weeks has weighed those covers down so much that the wastewater underneath has been spilling out.

Ken Summers lives near the holding ponds and describes how work crews have been trying to stop the overflow.

“There’s a crew that has been pumping [surface water] out for, constantly, for two and a half days — so it’s taken two and a half days of pumping that to get it off and what they’re pumping off is an equivalent amount — that [surface water run off] displaced an equivalent amount [of fracking waste water] that was pushed out,” he said.

There are an estimated 27 million litres of fracking waste water in Nova Scotia. Some of it contains so-called Naturally Occurring Radioactive Materials (NORMs). Fracking waste water is stored at the Atlantic Industrial Services facility in Debert, as well as in holding ponds in Kennetcook and Noel.

Hydraulic fracturing, or fracking, involves blasting a mixture of water, sand and chemicals into a well bore to split the surrounding rock and release trapped hydrocarbons, usually natural gas, coal bed methane or crude oil.

TRANSCANADA SAYS KEYSTONE PIPELINE RUNNING NORMALLY

TransCanada Corp's Canada-to-United States Keystone oil pipeline was operating normally on Thursday at rates above 500,000 barrels a day, a company spokesman said.

Earlier, Genscape, which independently monitors pipeline and refinery operations, said it detected decreased flow in the line between Hardisty, Alberta, and Steele City, Nebraska.

It estimated a rate early Thursday of 38,000 barrels a day, down from 576,000 barrels a day previously, and said it observed decreased power consumption at all pumping stations.

TransCanada spokesman Grady Semmens said in an email that the company does not comment on changes in flow rate or outages related to "standard operating issues."

The pipeline, with a capacity of 590,000 barrels a day, is the first phase of TransCanada's overall Keystone system and has been in operation since 2010.

The next phase, between Cushing, Oklahoma, and Gulf Coast refineries, is under construction. The contentious Keystone XL project, between Alberta and southern Nebraska, still requires U.S. federal approval after U.S. President Barack Obama rejected the initial application last year.

TransCanada re-applied to build that $5.3 billion portion and hopes for a U.S. regulatory decision in the coming months.

JOE OLIVER ORDERS REVIEW OF PROPANE PRICE JUMP, SHORTAGES

Energy minister asks National Energy Board and Competition Bureau to review propane market

The federal government has ordered the National Energy Board and the Competition Bureau to review the sharp spike in propane prices and shortages in many regions that have hurt rural homeowners and businesses that rely on the fuel.

Natural Resources Minister Joe Oliver said in question period Thursday he is concerned for families who rely on affordable propane to heat their homes and so will be asking the two organizations to "review propane market issues including high prices and scarcity."

Propane suppliers in eastern Ontario have faced shortages after a prolonged cold snap this winter. (CBC)

Propane prices had remained stable from 2011 until late 2013, with the average retail prices in Canada falling between 69 and 75 cents a litre.

But a greater need from corn producers to use the fuel to dry their crop this fall and an earlier and harsher than expected winter has caused demand to spike, Oliver told reporters after question period.

Two months ago, the price was 74.2 cents a litre nationally. A month ago, it was 79.9 cents a litre. As of Tuesday, it had risen to 92 cents a litre.

Earlier this week, Ontario Energy Minister Bob Chiarelli urged Oliver to act and develop a national response to the issue.

But Oliver said it was within Ontario's power to regulate the distribution and pricing of propane.

"They can't complain about pricing but not regulate pricing," said Oliver. "They can't have it both ways."

Shortages concern rural residents

The price spike is now making Steve Koopman of Perth Road Village — a community a 23 kilometres north of Kingston — have second thoughts about his decision to switch to propane.

"I grew up in the suburbs with natural gas and I was used to consistent pricing and predictability. Propane looked like a good option, but unfortunately we really got hit hard this season," said Koopman.

In his area, he says the price has gone from 60 to 86 cents a litre. His January refill cost $800.

Shortages of propane have also been a problem in many regions, including eastern Ontario. Koopman said the shortages are also a greater cause of concern for him.

"Now I'm literally checking once a week to see what the level is at. I've gone and bought a 100-pound tank out of my own pocket making sure my family, my daughters don't freeze to death in a winter like [this one]," he said.

BLACK BEAR ACCIDENTALLY MULCHED BY OIL AND GAS COMPANY

An Apache contractor ran over a hibernating bear den while clearing land near Fort Nelson, B.C.

An oil and gas company is investigating after one of its contractors accidentally ran over and killed a black bear near Fort Nelson, B.C., last week.

The black bear was hibernating in a shallow, unidentified den approximately 100 kilometres northwest of Fort Nelson, in the Liard Basin of northern B.C.

A contractor for the oil and gas exploration company, Apache, was performing seismic work and land clearing when a piece of mulching equipment ran over the den. The bear was killed instantly.

The company notified the Fort Nelson First Nation, which requested Apache stop work in the area.

'We view the bears as our cousins. In many ways, this has been treated as a fatality, not a mortality.'- Lana Lowe, Fort Nelson First Nation

"We requested that there be a plan going forward so that this never happens again. The fact that a bear was killed as a result of oil and gas activities in our territory is absolutely unacceptable to our community and to who we are as a people," said Lana Lowe of the Fort Nelson First Nation Lands Department.

Apache and its contractor responsible for running over and killing a black bear while it was hibernating temporarily stopped work to investigate, and is working with First Nations to prevent other incidents.

"We view the bears as our cousins. In many ways, this has been treated as a fatality, not a mortality.""Bears are an important species, not only ecologically but spiritually," she said.

Lowe says the stop-work ban lifted Thursday, except in areas where there is a high probability of encountering a bear den — particularly swamps.

She added that the company and First Nation are now working together to map out where those high probability areas are. This could include using infrared technology and local knowledge to locate and mark off the bear dens.

"We took it very seriously and, to Apache's credit, they took it very seriously," said Lowe.

Apache has confirmed it is working with the Fort Nelson First Nation to develop a plan for identifying bear dens to prevent future deaths.

The Conservation Officer Service has investigated the bear's death, and calls it an "unfortunate accident."

Apache and its contractor will not face penalties.

TORC OIL & GAS LTD. CONFIRMS MONTHLY DIVIDEND FOR JANUARY 2014

TORC Oil & Gas Ltd. ("TORC" or the "Company") (TSX:TOG) is pleased to confirm that a dividend of $0.045 per common share will be paid on February 18, 2014 to common shareholders of record on January 31, 2014. The ex-dividend date is January 29, 2014, with payment to be made in cash or common shares at the election of the shareholder. Any common shareholder choosing to receive common shares rather than cash must submit his or her share dividend authorization form no later than 4:30 p.m. (Calgary time) on the fourth business day immediately prior to the record date for the declared dividend payment, being January 28, 2014. This dividend has been designated as an "eligible dividend" for Canadian income tax purposes.

Share Dividend Program

TORC's Share Dividend Program enables common shareholders to elect to receive dividends in common shares calculated at 95% of the weighted average trading price, for the five days immediately prior to the payment date. Participation in the Share Dividend Program is optional and all fees associated with the Share Dividend Program will be paid by TORC.

The Share Dividend Program has certain tax advantages which are described in more detail in TORC's Information Circular dated August 7, 2013 which is available on SEDAR at www.sedar.com. For further information regarding the Share Dividend Program, please contact Olympia Trust Company at 403-668-8887 or 1-800-727-4493.

TORC Oil & Gas Ltd. is a Calgary based company active in the acquisition, exploration, development and production of crude oil and natural gas in Western Canada.

LGX OIL + GAS INC. FILES APPLICATION FOR JUDICIAL REVIEW RESPECTING GREATER SAGE-GROUSE EMERGENCY PROTECTION ORDER

LGX Oil + Gas Inc. ("LGX" or the "Company") (TSXV:OIL) and other producers have received notice from the Federal Minister of Environment of an Emergency Order for the Protection of the Greater Sage-Grouse (the "Order") pursuant to the Species at Risk Act (Canada) ("SARA"). The stated purpose of the Order is to address the imminent threats to the survival and recovery of the Greater Sage-Grouse, including protecting the habitat identified in the Order to help stabilize the Greater Sage-Grouse population and begin its recovery. The Order will come into force on February 18, 2014, unless the effective date of the Order is postponed.

The Order applies to specified federal and provincial Crown lands. The majority of LGX's Manyberries property is located on specified Crown lands covered by the Order. LGX has concluded that the Order has the potential to have a significant adverse effect on LGX's ability to maintain and increase production at Manyberries. Concurrently with the dissemination of this press release, LGX is filing a material change report, with a copy of the Order appended thereto, which can be viewed on LGX's SEDAR profile at www.sedar.com.

The Order does not affect LGX's operations in the Southern Alberta Bakken play.

LGX advises that, in conjunction with the City of Medicine Hat, it has filed an application with the Federal Court of Canada for judicial review of the Order on the grounds that certain provisions of SARA are ultra vires the jurisdiction of the Parliament of Canada and are of no force and effect, and that the Minister of Environment and Governor General in Council failed to consult with LGX and the City of Medicine Hat, and therefore did not adhere to the requirements of procedural fairness and natural justice in recommending and making the Order. As a result of the failure to consult, the Minister and Governor General in Council relied on a number of erroneous facts and assumptions, rendering their decisions unreasonable.

LGX and the City of Medicine Hat are seeking an order of the Federal Court quashing the Order and will pursue compensation for losses arising from any impact to their operations at Manyberries. LGX and the City of Medicine Hat will also seek additional relief to protect their respective interests at Manyberries.

Protection of the Greater Sage-Grouse is a laudable goal and LGX has been in full compliance with the Province of Alberta's comprehensive legislative and regulatory framework for the protection of the Greater Sage-Grouse which has been in place since 1996. Furthermore, LGX has both surface leases and mineral leases with the Province of Alberta that are subject to Alberta legislative jurisdiction. LGX reasonably expects to obtain the support of the Province of Alberta to quash the Order, given the grave infringement on the Province of Alberta's constitutional jurisdiction over surface rights, mineral rights, and regulation of the oil and gas industry at large.

LGX is a uniquely positioned, technically driven, junior oil and natural gas company with a proven management team committed to aggressive, cost-effective growth of light oil reserves and production combined with high impact exploration potential in southern Alberta. LGX's common shares trade on the TSX Venture Exchange under the symbol OIL.

OIL PIPELINE WOULD BRING MAXIMUM BENEFITS

Current statistics show that shipments of Canadian crude by rail have reached 175,000 barrels per day, compared to just under 24,000 barrels per day at the start of 2012.

That's a large jump, with no public environmental review of its merits.

And it's no wonder rail shipments have increased so sharply. Producers are understandably anxious to get their product to the Pacific tidewater and beyond to other markets, not just to the U.S. where prices are $50 million per day lower than in the rest of the world. Increased rail capacity can be accomplished very quickly.

So if Northern Gateway fails to move forward at the federal cabinet table later this year, Canadian oil will still be transported to the North Coast, and very probably by rail.

But a report from a Canadian think-tank late last year found transporting oil by pipeline is safe and environmentally friendly, and safer than transportation by road, rail, or barge, as measured by incidents, injuries, and fatalities.

Northern Gateway has said it will provide a pipeline delivery system that's state of the art; and there's no question the pipeline sector is highly regulated. Further, the company has pledged it will significantly raise the bar on project safety over and above industry standards.

For example, on marine safety, the plan calls for double-hulled tankers, two local pilots, enhanced navigational technology like land-based radar, and two separate tugs to accompany loaded tankers near shore.

On land, Northern Gateway has pledged 24/7 pipeline monitoring and remote pump stations staffed around the clock – a level of monitoring that is above and beyond industry practice today. Add to that thicker pipe and enhanced leak detection.

Beyond the superior engineering standards of the project, Northern Gateway's social commitments will provide aboriginal communities a direct stake in the project's success and more control of their economic well-being.

Aboriginal benefits packages will include a risk-free 10 per cent ownership offer, targeted investments to support aboriginal business people and skills training and job opportunities for aboriginal communities.

Important skills-training opportunities will be created for in-demand jobs — skills that will last young British Columbians a lifetime and help our province address skills shortages.

Economically, we're talking about a $6.5 billion investment in our economy that will create 3,000 jobs during construction and 560 permanent British Columbia jobs.

Investment and new employment from the pipeline will generate $1.2 billion in revenue for B.C. over the next 30 years.

If we lose Northern Gateway, we will likely end up with a rail delivery system. While the proposed pipeline will be mostly buried, the rail line parallels the Skeena River for more than 200 kilometres and runs through a myriad of small towns across northern B.C.

Increased rail traffic brings no benefit to these communities, only risk and the logistical challenges of small towns trying to maintain a cohesive downtown core.

Losing Northern Gateway would mean we lose those economic benefits to First Nations, those construction jobs, those taxes for the government and that training of people of the northwest. None of those opportunities will come with a rail delivery system.

Make no mistake; oil will be transported from where it's extracted to the coast, and on to Asia and other markets where it's badly needed.

Don't we want it to be transported by modern pipeline with the safest technology available? Don't we want to maximize the opportunities that the pipeline brings?