



Sign Up with the Oilfield News Online



Weekender



ilfield NEWS



www.oilfieldnews.ca



MARK MILNE
LUXURY REAL ESTATE
www.markmilne.com

Published By: NEWS COMMUNICATIONS since 1977

Saturday May 3rd, 2014

WHAT'S BEHIND THE RISING OPPOSITION TO CANADA'S BIG OIL PIPELINES

Climate change debate behind animosity toward Northern Gateway and Keystone XL

High-stakes oil pipeline projects have taken a public lashing lately, whether in a plebiscite in British Columbia, more protests in Washington, D.C., or from a former U.S. president and several Nobel laureates coming out strongly against billion-dollar plans to move the diluted bitumen from Alberta's oil sands to international markets.

The anti-pipeline pressure has been mounting for a while, but observers say that the ramped-up opposition to the Northern Gateway and Keystone XL proposals is no coincidence.

Rather, the turmoil is a result of a confluence of issues ranging from deep-seated environmentalism and concern about climate change to the aggressive tactics of energy companies and governments that want to see the pipes in the ground sooner than later.

Toss in some politics — midterm

The View



388 Quilchena Crescent - \$999,000

Constructed to take full advantage of location with picture windows providing an "on the lake" experience from room after room! 5 bedrooms, 4 baths, triple garage, home theater and a low maintenance yard. Just relax and enjoy the view!

Call 250.575.1432 now to book your private showing.

The Bergg Homes Team



Steven Bergg Allen Epp Annette Jensen-Bergg

Visit our website for a detailed market report:
kelownauppermissionrealestate.com

- FULL STATISTICS AND COMMUNITY INFO
Get the latest trends for sold homes, properties for sale, inventory counts, and more.
- GET DETAILED INFO ABOUT EVERY PROPERTY
View all the detailed information with the listing view or the map view.

All listings MLS® unless otherwise indicated



Based on MLS® Active Listings Taken & Sold Units as Reported by CMAREB in 2012 for Central Okanagan.

elections in the U.S. this fall, and anticipation of the federal decision on Enbridge's \$5.5-billion Northern Gateway project within a few weeks — and conditions have become ripe for ever more public push-back.

"I certainly don't see any chance of the opposition receding," says Michael

Byers, a political science professor at the University of British Columbia who holds a Canada Research Chair in global politics and international law.

On the West Coast, in particular, he says, the roots of protest run deep.

In the psyche

"People in the rest of Canada need to understand the environmental movement was born in British Columbia, and it has a deep history here and is very wide-reaching," says Byers.

"It's almost part of the collective psyche here on the West Coast and that's

Steven J Wilson Law Office

2120 York Ave., Saskatoon SK, S7J 1H8

Real Estate Law
Wills and Estates



Call 306-956-3345
for a free phone consultation

AUTODESK Authorized Training Center

digitalschool.ca

**iLearn
iDesign
iCreate**

Step into the World of 3D Design

DIGITAL School
technical design college
FULL-TIME CAREER PROGRAMS
PART-TIME SOFTWARE ET TRAINING



@Digital_School | digitalschool.ca

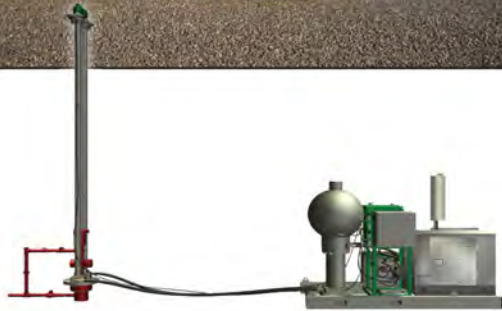


#304, 10205-101 STREET

GET STARTED TODAY!
CALL 780.414.0200

To receive our Online Publication, please fax back with your email in the space provided to 1(800) 309-1170: _____

You need
downtime,
your pump jack shouldn't



The Ecoquip 9000 series Hydraulic Pump Jack is reliable, durable and powerful.

- No unreliable and faulty sensor bars or proximity switches mounted on or near wellhead.
- The only unit using a true N2 counter-balance which ensures an energy efficient and smooth stroke that reduces wear on equipment, rods, pumps or seals.
- 158" stroke length, 35,000lbs lifting capacity and speeds up to 7 strokes per minute all at the same time.



something that Enbridge clearly did not understand, and that the Harper government at least for its first four or five years did not understand.

"And when you add that to the unextinguished aboriginal rights, and the lack of appropriate consultation that took place, you have almost a perfect storm for opposition to pipelines."

Northern Gateway Pipelines president John Carruthers listens during the Northern Gateway hearings in Prince Rupert in December 2012. (Jonathan Hayward/Canadian Press)

In Kitimat, B.C., the coastal community that would serve as the endpoint of Northern Gateway, and the place where supertankers would fill up with Alberta bitumen, residents recently voted "No" to the project.

The plebiscite isn't binding on anyone, but it sent a signal, and left Enbridge with another reminder it might have done things differently in the early days of the project.

"Something we've certainly learned is that we definitely needed an earlier, stronger presence on the ground," says John Carruthers, president of Northern Gateway Pipelines.

"We have had an office in Kitimat since 2008, but I think the key is you have to be there early and you have to be there often to work with people and build trust and provide information about what we are doing to address the concerns."

Changing the route Carruthers says the company has won support in instances where it has sat down, talked with people and come up with solutions for particular

THERE'S NOTHING BETTER THAN
THE LONG STROKE.



START A LONG-TERM SSI™ ROMANCE.

She tried to ignore it but she couldn't turn away. She'd dreamed of it for too long. Sturdy. Powerful. Rugged. Like nothing she had experienced. Could this be the one? She would never be disappointed again. With one touch it was on. Wow! A high lift capacity (80,000 lbs), an inherently safe design and a dramatically improved efficiency... finally satisfied at last.

3200-118 AVE SE, CALGARY, AB T2Z 3X1
PHONE: (403) 255-5222 FAX: (403) 253-4448
INQUIRIES: INFO@TUNDRASOLUTIONS.CA
TOLL-FREE: 1-800-265-1166
WWW.SSILIFTS.COM



issues such as river crossings.

"We made a number of changes to the route based on public input."

Responding to concerns from aboriginal groups, Enbridge revised 24 crossings, including for the Pembina, Athabasca, Smoky and Murray rivers, according to the joint panel review for the project.

Enbridge's Northern Gateway Project would bring diluted bitumen from Alberta to the deepwater port in Kitimat, B.C., where it would be loaded on supertankers and shipped to Asia. (Darryl Dyck/Canadian Press)

Carruthers says that between 2009 and 2013, there were "tens of thousands of exchanges with stakeholders through face-to-face meetings, coffee chats, presentations, public forums, technical meetings, community

meetings, Community Advisory Boards, blogs, social media sites, receptions, community investment events, emails, telephone calls, letters, advertisements and website postings."

Enbridge's approach to working with communities is an "evolving process," he says. "It doesn't stop with the plebiscite. It doesn't stop with the joint review panel recommendation, or even the decision by the federal government.

"It's ongoing, so there will be continued consultation, discussions, all the way through the process."

However, Byers says there was a lack of serious consultation by Enbridge with the coastal First Nations in the early going, and that "is a mistake that both Enbridge and the Harper government must

due to this day. Essentially that failure to take aboriginal rights seriously in those early years I think created a situation today where the project cannot proceed."

He sees "more sensitivity" being shown around discussions of Kinder Morgan's Trans Mountain project to expand capacity of an existing pipeline running from Alberta through the Fraser Valley to Burnaby, B.C.

"Kinder Morgan has made a significant public outreach effort. The Harper government has not weighed in with the same degree of passion and divisiveness that it did on Northern Gateway."

Another Exxon Valdez?

As Byers sees it, the big issue of climate change figures prominently in this debate, particularly for environmentalists. "But for the person on the street, the concern is about a repeat of the Exxon Valdez."

"That oil spill happened just north of Kitimat on the southwestern coast of Alaska and people here look at the fact that oil continues to be found along the Alaskan coastline from that spill more than two decades later."

For his part, Byers sees some distinction between the kind of opposition that these pipeline projects in B.C. have garnered with that exerted on TransCanada's \$7.6-billion US Keystone XL project, which would pipe Alberta bitumen to the Texan Gulf Coast. "With Keystone XL, the debate is mostly about climate."

A presidential decision on Keystone XL has been delayed again, and

won't likely come until after the Nov. 4 midterm elections, which some are seeing as a win for its opponents.

For environmental groups that want fossil fuel production to stop, "slowing down crude infrastructure is actually one of the politically easiest targets," says James Coleman, an assistant professor in the University of Calgary's faculty of law and Haskayne School of Business.

Coleman sees a "dramatic" increase in the push-back against pipelines, something he attributes to several factors, including increased pressure for climate regulation, along with a desire for increased to "takeaway capacity" from Alberta because of the increased production there.

Times change

"People sometimes forget Keystone XL is just the second part. There was an original Keystone pipeline that was approved in the U.S. in 2008 and was defended by President [Barack] Obama's administration," says Coleman.

"But the dramatic thing is that pipeline was approved with no consideration at all of the climate effects of increased oil production."

Native Americans, farmers, ranchers and cowboys rally to protest against the Keystone XL pipeline in Washington on Tuesday, April 22, 2014. (Alex Panetta/Canadian Press)

Now, a few years later, he notes, there's a section of the U.S. environmental impact statement on Keystone XL devoted to the greenhouse gas output of increased oilsands production, and President

Barack Obama says the key factor determining the project's fate is whether it's going to increase greenhouse gas emissions because of increased oilsands production.

"It's all about climate change. It's not the pipe itself," says Richard Dixon, executive director of the centre for applied business research in energy and the environment at the University of Alberta in Edmonton.

"The issue is what's going through the pipe," he says, and how that has become a symbol of dealing with climate change.

"It's not about the amount of emissions. I mean, we're one-10th of one per cent of world emissions. It's negligible."

Finding the weak link

Dixon says the opposition to pipelines has become more organized, and that more environmental groups are involved. Environmentalists have also identified the "weak link" energy companies have in their efforts to be sustainable: access to markets.

"So they've focused on that and as they've gained more and more

Sunline Gates

403.742.8999

darryl@stettlerrentals.com



AUTOMATIC GATE OPERATORS

Stettler AB

Swing Gate & Sliding Gate
Parking Barrier



Available for Oilfield / Commercial / Residential use

Willerton

Ski-Doo & Golf Cart Ltd

www.willertonskidoo.com



Maverick XMR 1000



ski-doo



E-Z-GO Golf Cart



Outlander XMR 1000

ski-doo | can-am

Sales - Service - Parts - Accessories

780 842-4775

1802 14th Ave. Wainwright AB wilskido@mcsnet.ca

©2014 Bombardier Recreational Products Inc. (BRP). All rights reserved. ®, TM and the BRP logo are trademarks of BRP or its affiliates. Products are distributed in the USA by BRP USA, Inc. Always ride responsibly and safely and observe applicable laws. Remember that riding and alcohol/drugs don't mix.

BANANA BITS

PDC's, Rollercones, MT, TCI
New, RT, RR, All Sizes and Makes

(247) 1-877-993-BITS (2487)

www.oilfieldbits.com

THE **BEST** SURFACE BITS
IN THE BUSINESS

TO REDUCE YOUR DRILLING
COSTS CALL

Lance Cucheran
Field Sales/Owner

403.350.4491

Proudly Serving
Western Canada

— Since 2005 —

We buy your unwanted bits, new or used.
Ask about our customer inventory tracking
& servicing plan.

strength, they're able to then focus on the issue of climate change."

That was the focus of a letter signed by former U.S. president Jimmy Carter and a group of Nobel laureates who urged Obama to reject Keystone XL.

The letter sent earlier this month says the president's decision will either signal a "dangerous commitment" to the status quo, or "bold leadership" that will inspire millions counting on him to do the right thing for the climate.

Dixon argues, though, that "if the goal of the environmentalists is to get us off oil, in fact, it's doing the opposite," as the public opposition is prompting energy companies to improve pipeline technology.

"It will make sure that our pipelines are safe so that you can't really complain about them. So that's the irony of it — that it will improve pipeline technology. Quite an irony actually."

FRACKING'S EFFECT ON WATER NOT PROPERLY MONITORED, REPORT FINDS

Environment Canada commissioned report by international experts

A new report commissioned by Environment Canada says there's little information about the effects of shale gas development on the environment.

The report by a panel of 14 international experts concludes "data about potential environmental impacts are neither sufficient nor conclusive."

So little is known about the long-term impacts of extracting gas by fracturing rock beds with high-pressure fluids that scientists and regulators need to start now to understand how to develop the resource safely and cleanly, according to co-author Rick Chalaturnyk, an engineering professor at the University of Alberta.

In an interview with CBC News, Chalaturnyk said "additional information needs to be collected to better understand and manage those impacts."

In the process called hydraulic fracturing, or "fracking," energy companies inject chemicals and sand deep underground to fracture the rock and free up natural gas.

A new report by a panel of 14 international experts concludes "data about potential environmental impacts are neither sufficient nor conclusive." A Talisman Energy worker is seen here walking from a shale gas drilling rig in Saint-Edouard-de-Lotbiniere, Que. (Jacques Boissinot/The Canadian Press)

That gas can leak into underground drinking water, and the report says it's not being properly monitored.

It says the government and industry have to do a better job of tracking the effects.

"For large-scale shale gas development now, I don't think you want to be in a position anymore of just saying, 'trust me, we know what we're doing.' We're past that," Chalaturnyk said.

Report raises concerns over lack of data

The anti-shale gas protests in New Brunswick last fall are just part of the growing battle over fracking.

The report says proper research is needed to reassure Canadians who are anxious about their health and suspicious they are not getting the full story.

"There is reason to believe that shale gas development poses a risk to water resources, but the extent of that risk, and whether substantial damage has already occurred, cannot be assessed because of a lack of scientific data

and understanding," the report says.

The report also draws attention to the potential risk posed by the chemicals used in the process. There's a long list of substances that are added to fracking water and their effects on human and environmental health are unknown, the report says.

"There is only minimal reference literature and no peer-reviewed literature that assess the potential for the various chemicals in hydraulic fracturing fluids to persist, migrate and impact the various types of subsurface



6th ANNUAL **RECOVERING LIVES ONE STOP AT A TIME**
12 STOP RIDE FOR RECOVERY
MOTORCYCLE ROAD RALLY
FRESH Start
RECOVERY CENTRE
JUNE 28th 2014
freshstartrecovery.ca
403-387-6266
EVENT SPONSORS: BETTS DRILLING LTD., imagewear
MEDIA SPONSORS: CTV, CALGARY HERALD



Keian Coating & Sandblasting Ltd.
Warriors to the end, we get the job done...
mail to:
PO Box 85
Montrey, B.C.
V0C 1Y0
location: 9905-85th Ave, Ft. St. John, BC
Office: **250.262.4455** Fax: **250.262.4457**
keiancoatingandsandblasting@telus.net
* Industrial
* Commercial



**WE LIFT 'EM, LEVEL 'EM,
CUSTOMIZE 'EM HOW YOU WANT.**
— BIG SELECTION & HUGE FACTORY REBATES! —
go kentwood ford
CALL US: 1.855.801.2391
VISIT US: KENTWOODFORD.COM

systems or to discharge to surface waters," according to the report.

"The lessons provided by the history of science and technology concerning all major energy sources and many other industrial initiatives show that substantial environmental impacts were typically not anticipated," the report says.

"What is perhaps more alarming is that where substantial adverse impacts were anticipated, these concerns were dismissed or ignored by those who embraced the expected positive benefits of the economic activities that produced those impacts."

Former environment minister Peter Kent requested the report in response to ongoing concerns about fracking in Canada.

CLIMATE CHANGE ALARM SOUNDED IN SASKATCHEWAN

A Saskatchewan organization is urging the province and municipalities to take action after it released a report on climate change in the province.

The Saskatchewan's citizen's hearings on climate change released its final report on the issue after holding a two day meeting spanning 20 hours attended by approximately 200 people last November.

The findings found the primary problems of climate change are largely caused by greenhouse gas emission associated with fuel consumption.

They said coal and then oil are the worst emitters, along with substantial emissions produced by natural gas burning or flaring and

both Saskatchewan and Alberta are the worst polluters in Canada.

According to the report, Saskatchewan accounts for 10 per cent of Canada's greenhouse emissions although it only has three per cent of the nation's population.

"Saskatchewan and all parts of the globe have a moral responsibility to communities most affected by climate change," reads the report.

"If stabilization of greenhouse gas concentrations in the atmosphere cannot be achieved soon, the economic, social and environmental costs for the next generation will be very high."

The authors of the report, who worked with Peter Prebble, director of environmental policy for the Saskatchewan Environmental Society, said some of those impacts are already being felt.

"There has already been a marked increase in flooding in our province over the past decade, and that is likely to continue for some time," continued the report.

"Saskatchewan needs to be concerned about the growing potential for more intense and prolonged drought, a risk likely to become a reality as the century progresses."

"Saskatchewan is vulnerable to the potential for more extreme weather events."

Among changes urged is a move away from fossil fuels and into renewable energy like wind and solar power, the capture and use of natural gas instead of venting and flaring and replacing aging coal fired plants with

a broad mix of renewable electrical sources over the next decade.

The authors are also calling on Saskatchewan to "drop the idea of developing oil sands in the province" and terminate all subsidies in the oil and gas industry and want Canada to rejoin the Kyoto protocol and adopt a plan similar to that in Europe to reduce greenhouse gas emission.

Maria Campbell, Marcia McKenzie, Harry Lafond and Willard Metzger, the commissioners who presided over the hearings and wrote the report, said change cannot happen without the full cooperation of local, provincial, First Nation,

Metis and national governments.

They also said climate change education should be a priority in all school systems, universities, colleges and in community education.

MONTREAL SUNCOR REFINERY TO PROCESS ALBERTA BITUMEN, CUTTING CRUDE COSTS

A project that would enable Suncor Energy Inc.'s Montreal refinery to process thick, tarry oilsands bitumen from Alberta could get the green light later this year or early in 2015, CEO Steve Williams said Tuesday.

YOUR RED DEER PAINTBALL HEADQUARTERS!

OUTCAST SOCIETY PAINTBALL

FAMILY OUTINGS
COMPANY TEAM BUILDING
PARTIES & GROUPS
SPORTS TEAMS

403-341-9926

Like us on Facebook

Store • 2811D Bremner Ave / Field • 22km East on Hwy 595/Rge Rd 250

Regulator's Oilfield Hauling Ltd.

250-787-8869



10148 Tundra St.
Fort St. John, BC
V1J 6H1



Specializing in Rig Moving BC ~ AB

Pickers From 40-45 Tons * Winch Tractors * Pilot Cars
Commanders/Intruders * Bed Trucks
8 Wheel Drive Bed Trucks

www.regulatorsoilfield.com



Precision Truck ACCESSORIES

780-349-3010 866-349-3010

- DIESEL & GAS PROGRAMMERS
- HIGH INTENSITY LIGHTING
- RESTYLING ACCESSORIES
- FLOOR MATS AND LINERS
- PERFORMANCE EXHAUST
- INSTALLATION DEPT.
- AND MUCH MORE

MAKE IT YOUR OWN

Bring in this add & receive \$20 OFF your purchase of \$100 or more

Limit one coupon per visit.

HWY. 18 WEST 9024-100 ST WESTLOCK, ALBERTA

If We Sell It
We Can
Install it

The Montreal coker project is just one way Suncor is looking to cut crude costs at the refinery, which has long relied on pricey overseas imports.

"I expect to have on my desk by the end of this year the proposal for the coker project, so we'll be in a much clearer position toward the end of this year, maybe beginning of next year to decide whether we go ahead," Williams told analysts on a conference call to discuss Suncor's first-quarter results.

Quebec cheaper than Alberta Suncor is not disclosing the estimated pricetag of the coker project, but Williams says it will cost much less to build in Montreal than in the cost-inflation prone northern Alberta market.

As well, much of the required equipment is already in Suncor's hands, as an earlier iteration of the project was shelved years ago.

In the meantime, Suncor has been able to supply the 137,000 barrel-per-day facility with cheaper inland crude using rail and ship.

During the first quarter, about 20,000 barrels per day of Western crude made its way to Montreal by rail, with the expectation of hitting an average north of 30,000 barrels per day for 2014.

Suncor figures its rail strategy saved it \$20 million during the quarter, since the Montreal refinery had access to cheaper inland crude, rather than having to rely on costlier imports.

Some seaborne cargoes loaded with cost-effective U.S. crudes have also made their way to Montreal

— an option Suncor uses on an "opportunistic" basis, Williams said.

By this time next year, Suncor says its Montreal refinery should be able to get 100 per cent of its crude from within North America — once Enbridge Inc.'s Line 9 pipeline between southwestern Ontario and Montreal has been reversed and expanded. That project won regulatory approval in March.

"We're delighted with the news around the Line 9 reversal and anticipate that line being reversed plus or minus a few months on the end of this year. We're just working through the specific schedules on it now."

Suncor market value up The improved market access was one of the reasons behind Suncor's record and better-than expected first-quarter results, announced late Monday.

Its shares were up more than 3.6 per cent at \$42.85 in late-morning trading on the Toronto Stock Exchange.

Operating earnings were more than \$1.79 billion, or \$1.22 per share — widely beating the average analyst expectation of 93 cents, according to estimates compiled by Thomson Reuters

A year earlier, Suncor had operating earnings of \$1.37 billion, or 90 cents per share.

Operating revenues, net of royalties, were \$10.3 billion, up from \$9.8 billion a year earlier.

Net earnings, which account for one-time items, were nearly \$1.49 billion, or \$1.01 per share, up from

\$1.09 billion, or 72 cents per share.

Suncor says it was able to capture world pricing on 96 per cent of its oil and gas production during the quarter.

Some 70,000 barrels per day have been able to make their way to the lucrative U.S. Gulf Coast market on a recently-opened TransCanada Corp. (TSX:TRP) pipeline starting in Cushing, Okla.

The Gulf Coast pipeline, which started up in January, was originally meant to be part of TransCanada's contentious Keystone XL proposal.

But TransCanada opted to go ahead with the southern portion first while the larger and more controversial cross-border segment remained in limbo.



Company-wide production for the quarter was 545,300 barrels of oil equivalent per day in the quarter, down from 596,100 a year earlier, due to the sale of its conventional natural gas business and the shutting in of production in Libya.

However, output in the oilsands was 389,300 barrels per day, up from 357,800 during the corresponding 2013 quarter.

PIPELINE and FACILITY CONSTRUCTION *OILFIELD MAINTENANCE
 Servicing *British Columbia*Alberta*Yukon*Northwest Territories*

Rhyason
 Contracting
 A Corporate Limited Partnership

Ph: (250) 785-0515
 Fax: (250) 785-0577

Se.v.a
 Landscaping
 & Construction



Serving:
 Edmonton
 St. Albert
 Spruce Grove
 Sherwood Park
 Beaumont
 and all surrounding areas

- * Landscaping
- * Fencing
- * Concrete Curbing
- * and much more!!

www.sevaconstructionedmonton.com



SEVA Landscaping & Construction Ltd.
 Call Us Today!
 1.780.935.5011

SEMERRA
 OILFIELD SERVICES

BOP Testing
 Completions&Facilities
 CallTubing&LinerTests*FracSupport
 PipelineTesting*FormationLeakOffs
 GasPlantHydroTesting&DigitalRecording
 Methanol&GlycolSales
 PressureTesting&PumpingServices
 105,000kPa(15,000psi)

Dawson Creek, BC
 Grande Prairie, AB
 Drayton Valley, AB
 Calgary, AB
 Nisku, AB
 Red Deer, AB



www.semerraoilfield.com
 1.866.731.3772