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## ENERGY GIANT CNRL DERAILS FULL PUBLIC INQUIRY INTO FOREIGN WORKERS' DEATHS

Company says no further investigation needed in collapse at oilsands site that killed 2, injured 5 others

A public fatality inquiry into the deaths of temporary foreign workers Genbao Ge and Hongliang Lui will not be allowed to explore any circumstances around the 2007 accident beyond how one of the men was transported to hospital.

The decision is the result of a court action brought by Canadian Natural Resources Ltd., which owns the site where the men were killed and hired the subcontractor they were working for.

The decision comes following a teleconference involving lawyers for CNRL and Alberta Justice with Judge J. R. Jacques of the Alberta provincial court in Fort McMurray.

CBC News obtained a court order to get a transcript of the Jan. 22 hearing, where CNRL argued that there should be no public fatality inquiry into the deaths.

"This was our last chance to get information, and frankly to get justice," said Alberta Federation of Labour president Gil McGowan. "To say that I'm frustrated by big oil companies winning again would be an understatement. I say that I'm actually outraged."

The Chinese temporary foreign workers were killed in a 2007 workplace accident at CNRL's Horizon oilsands site in northern Alberta. Although unsuccessful in derailing the hearing entirely, CNRL managed to limit the scope to whether an air ambulance should have been dispatched to take Ge to hospital.

"There was a thorough and comprehensive investigation conducted by OHS [Occupational Health and Safety] officers which resulted in a formal prosecution," said CNRL lawyer David Myrol in the call with the judge. "We had 53 charges being laid, and that certainly signals the comprehensiveness of the approach that prosecutors took to the case," he said.

The 53 charges were laid in June

2009, more than two years after the incident. Twenty-nine were laid against CNRL. But three years later, all the charges against CNRL were stayed, while those against Chinese contractor Sinopec Shanghai Engineering Ltd. were withdrawn.

The remaining three charges were against SSEC Canada, a subsidiary of a Chinese company established one year before the accident, specifically to bid for work in the Alberta oilsands.

It pleaded guilty to failing to ensure the health and safety of a worker and paid fines totalling \$200,000, along with contributing \$1.3 million to the Alberta Law Foundation.

There was never a trial, and no one has testified under oath about the circumstances around the deaths.

The fatality inquiry would have heard from witnesses that were sworn in. However, unlike a trial, a fatality inquiry is not intended to assess blame. Its purpose is to determine the circumstances around a death and make recommendations to avoid similar situations from happening in the future.

Bob Barnetson, a professor of labour relations at Athabasca University, calls CNRL's attempt to prevent an inquiry "shameful."

"I mean the only thing at risk in a fatality inquiry here quite frankly is CNRL's reputation as an employer, and that seems to me to be what they're trying to protect," he said.

Following the collapse, Alberta Occupational Health and Safety completed an 18-page report that pointed to key failures in the incident. The investigation report was publicly released Monday, eight years after its completion, following requests by CBC News.

CBC also obtained an agreed statement of facts entered when SSEC was sentenced in January 2013. Though a public document, the Alberta provincial court refused to release the report without a judge's consent.

At the time of the Jan. 22 hearing, the reports had not been published in a place where the public could access them. However, CNRL lawyer David Myrol argued the



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OHS report in particular already answered the sort of questions that would come up at a fatality inquiry.

"It certainly satisfies the public objective of the underlying, the Fatality Inquiries Act," Myrrol told the judge.

Together the two reports draw a troubling picture of workplace conditions on the CNRL Horizon site.

Ge and Liu were among 132 Mandarin-speaking workers brought from China to work building large storage tanks. With the project falling behind schedule, SSEC proposed a "revised assembly procedure" to speed up construction. CNRL signed off on the plan.

On April 24, 2007, the roof of one of the tanks collapsed, killing Liu and Ge, seriously injuring two workers and leaving three others with minor injuries. Of the 13 workers inside the tank at the time of the collapse, 11 were from China.

The OHS report reveals that the SSEC employee who developed the revised procedure was not a qualified professional engineer. It also notes that the construction workers were "given only verbal instructions on the erection procedure." Investigators found that CNRL had not required SSEC to provide any written procedures.

It concludes the lack of professional oversight was a contributing factor in the accident. "The designer, who was not a professional engineer, determined that there was a minimal need for wind bracing," the report states. It found the bracing that was used did not

meet the Alberta Building Code. Workers on the tank heard several loud bangs and pops, as the roof structure began to collapse. Liu, an electrician, was killed instantly by falling steel. Ge, a scaffolder, was also hit by the twisted shards of metal and died in an ambulance on the way to hospital in Fort McMurray.

The OHS report found that the employee responsible for monitoring activity inside the tank "was not competent." The worker "was not aware of the emergency response requirements" and "did not have a telephone or radio to summon assistance."

Several other tanks were being built at the time, and Occupational Health and Safety officers ordered work on them to stop immediately. That decision may have saved more lives, as a second tank collapsed in a similar manner days later.

While the two reports answer some of the questions about why the tank collapsed, AFL president McGowan said many more remain, including how Alberta building standards were so easily bypassed.

"They basically took Chinese standards for construction and management on a very dangerous site and imposed them on a Canadian work site," said McGowan.

McGowan said he supports a full inquiry, but CNRL's lawyer blames the labour organization for failing to act when it had the opportunity. Two letters addressed to McGowan invited the AFL to participate in the January hearing. Lawyers for the

Alberta government sent the first in September, and the second one day before the teleconference. They received no reply.

Myrrol took the lack of response as tacit approval of quashing the inquiry. "I would submit sir, that the party that really pre-empted this entire public inquiry is the federation themselves," Myrrol told Jacques, the judge. "They've been notified of this public fatality inquiry and have chosen not to participate in it."

McGowan said the first invitation arrived at AFL offices while he was on leave, running in the federal election. Because it was addressed to him personally, it was not opened, he said. When the second notification arrived, it was too late to make a case for the inquiry, McGowan said.

"As a result, big oil companies and foreign state-owned companies from China frankly were let off the hook. There was no accountability, there's no responsibility, and for this lawyer to be making these comments at this point just adds insult to injury."

CNRL declined to be interviewed or provide any of its background documents related to the application. "As this matter is before the courts, Canadian Natural will not be commenting for your story," a company spokesperson told CBC News.

No date has been set for the inquiry. Barnetson said that limiting it to questions around choice of ambulance makes the whole exercise futile. "The fatality inquiry as it's been truncated by CNRL's court application is

pointless. But if it was a full fatality inquiry that looked into how similar worker deaths could be prevented in the future, that is very necessary."

### SASK. SEEKING \$156M FROM OTTAWA TO CLEAN UP OLD OIL WELLS

Accelerated program could provide boost to ailing oil patch economy, premier says

Saskatchewan Premier Brad Wall is asking Ottawa for \$156 million to clean up old oil wells.

Wall said Monday he has presented a proposal to Prime Minister Justin Trudeau for money for a program to accelerate well cleanups.

Over the next two years, such a program could allow decommissioning and reclamation of 1,000 non-producing wells.

That could mean 1,200 direct and indirect jobs in the oil and gas support industry at a time when the oil patch is reeling from layoffs, Wall said.

Activities covered the program could include environmental site assessment, removal and disposal of old equipment, remediation of oil and salt water spills, restoration of the sites and the re-vegetation of the land.

Wall said he's waiting to hear back from Trudeau on the proposal.

### OIL CLOSES BELOW \$28 US A BARREL, DRAGGING TSX DOWN 253 POINTS

Canadian dollar manages to stay in positive territory

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The price of a barrel of oil slid to its lowest level since September 2003 today, bottoming out below \$28 US a barrel amid more signs the world is still drowning in excess crude. That put investors in a selling mood in Toronto.

A barrel of the North American crude oil benchmark closed down \$1.75 to \$27.94 a barrel Tuesday afternoon, selling off heavily through the day after a report from the International Energy Agency suggested the global oversupply problem is getting worse.

The IEA said Tuesday the world is currently pumping out about two million more barrels of oil every day than demand calls for, and all that crude is starting to pile up. The latest U.S. data shows America with a near record three billion barrels in storage this week, waiting for prices to recover "With the market already awash in oil, it is very hard to see how oil prices can rise significantly in the short term," the IEA said.

The Canadian dollar managed to eke out a slight gain, closing up about a quarter of a cent to 72.05 cents US, as the U.S. dollar weakened against a number of currencies.

The gloom in oil spread to the TSX, with the benchmark index closing down 253 points to 12,283 as financials and energy, which weigh heavily on the TSX, dragged it lower.

The Toronto stock market fared better than some others around the world, as many global markets sank earlier Tuesday, led by a 5.4 per cent slide in Tokyo as renewed jitters about the global economy set off a wave of selling in banking stocks.

Equity markets have been in a slump so far this year after a lacklustre 2015. Several factors have kept investors in a selling mood, including falling crude oil prices, waning growth in China and increased risk of recession in other major economies if market volatility takes a toll on business confidence and investment.

Losses Tuesday were less severe in Europe than Asia. France's CAC 40 was down 0.7 per cent at 4,038.41 and Germany's DAX fell 0.5 per cent to 8,933.11. Britain's FTSE 100 eased 0.1 per cent to 5,638.21.

"There is a genuine concern that stress in asset markets will start affecting real economics," said Chris Weston, chief market strategist at IG in Melbourne, Australia.

"This period of sustained volatility and deterioration in credit will impact businesses and one has to be concerned about how many households are feeling this drawdown in the financial markets," he said in a market commentary.

The prospect of Federal Reserve rate increases after several years of ultra-easy monetary policy had also unnerved markets. But the prospect of hikes in the near term has faded because of the market turmoil.

After a volatile day, the Dow Jones industrial average ended the day down by just 13 points at 16,014.

In Asia, Japan's Nikkei 225 slid 5.4 per cent to close at 16,085.44 and Australia's S&P/ASX 200 fell 2.9 per cent to 4,832.10. Markets also fell in Southeast Asia.

China, Hong Kong, Taiwan and South Korea were closed for Lunar New Year holidays.

Banking stocks were hammered by concerns that profits will suffer from another downturn in the global economy. National Australia Bank dropped 4.8 per cent in Sydney and Mizuho Financial slid 6.2 per cent in Tokyo.

### JIM CARR OPTIMISTIC PIPELINES WILL BE BUILT, BUT WON'T BE CHEERLEADER

Getting oil and gas to markets is focus of federal natural resources minister's Q&A session

Federal Natural Resources Minister Jim Carr delivered almost everything a Calgary business crowd wanted to hear Friday, though he stopped short of endorsing a specific oil export pipeline project currently proposed in Canada.

Carr was seated at a table with pipeline executives Russ Girling, the CEO of TransCanada, and Ian Anderson, the CEO of Kinder Morgan. Both companies have multi-billion dollar proposals to export Alberta oil.

"We are going to create the best chance for these projects to be reviewed, and those decisions will hold the confidence of Canadians, and cabinet will determine [if it's] in the national interest," said Carr. "The prime minister's goal is to get our resources to tidewater sustainably."

Carr told the audience he has confidence and optimism that the government will find a way for new pipelines to be constructed. It was the best he could offer the Calgary crowd.

"He just didn't say 'I'm there to be your cheerleader,'" said Adam Legge, head of the Calgary Chamber of Commerce, which organized the sold-out event in the city's downtown. "It's not the perfect answer, but it's a pretty good one."

Carr and Prime Minister Justin Trudeau received praise from the oilpatch this week for their visit to Alberta and the way they have listened to industry members.



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The reactions to Carr's remarks on Friday were no different.

"I am confident working together government, industry, aboriginal communities, NGOs, and all the people that have a say, working together we can bring that opportunity to fruition," said TransCanada's Girling in remarks thanking Carr for attending the event.

"Thanks for listening, learning and your leadership that will, I'm confident, will lead us to a better outcome going forward."

The event followed roundtable discussions with oil and gas executives in Calgary on Thursday that included Premier Rachel Notley.

"They are engaged in the importance of oil and gas to the Canadian economy," said David McHattie, with Tenaris Global Services, a company that sells casing, tubing and pipes. "As industry, we all need to communicate and share our views."

Carr explained why one of his priorities is to make changes to the National Energy Board, including how that organization reviews pipeline project proposals.

"It hasn't worked, it's too tough, it takes too long," Carr said. "How can we do better?"

Large projects in Canada will not be constructed without

consultation with First Nations and Canadians, in general, need to feel that they are heard, he said.

"It's not the job for me to advocate on behalf of a certain industry. It's my job as minister of natural resources to advocate on behalf of creating conditions that allow us to create jobs and sustainability in the natural resource sector."

### SUNCOR ACQUIRES 72.9% OF CANADIAN OIL SANDS SHARES

Suncor said it has acquired 72.9% of Canadian Oil Sands shares.

The move comes after the company agreed to buy Canadian Oil Sands in a \$2.9billion deal.

Suncor said it will take up all tendered shares in accordance with the terms of the offer.

Steve Williams, chief executive, said: "From the outset, we've spoken about the excellent value this offer creates for both COS and Suncor shareholders and I'm looking forward to delivering on that commitment."

A subsequent acquisition transaction will now take place to acquire the remaining shares in the company.

Earlier this year, Suncor had increased its offer to 0.28 of its shares for each Canadian Oil Sands stock.