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CANADIANS CONFLICTED ABOUT 3 ES: ENVIRONMENT, ENERGY AND THE ECONOMY

EKOS-CBC poll suggests 56% more worried about the economy than the environment

Justin and Leanne Mills are in a situation familiar to many Albertans these days.

Justin is still working as an oil well cementer in Lloydminster, but his income is down by 50 per cent and the family is dealing with a painful readjustment of their future.

"For the first time in three years, I actually didn't pay a bill," said Leanne. "We didn't have the money to pay it, so I pay a little on this one and all of that one, and the next month, I'll pay the rest of that one and just try to keep up."

Their struggles are one side of the conflict gripping Canadians right now as tension grows between the importance of the environment and the economy. A new CBC EKOS Research poll suggests the country is conflicted between the two priorities, especially when discussing the future of the oil and gas industry.

Leanne has been trying to get pregnant for four years and after a string of miscarriages, she began fertility treatments that cost \$600 a month. But, with their drop in income, they can no longer afford the treatments.

"I turned 40 last November and when we spoke to our doctor last, I said that we might not be able to do this for a while," Leanne said.

"She said she wouldn't recommend not putting anything off because of my age, but we don't have a choice. I'm afraid when the economy finally gets better, it might be too late."

Justin feels that people outside the province don't really understand what it's like in towns like Lloydminster, which is on the border with Saskatchewan.

"We're trying our best," he said. "All these people are talking about — oh you shouldn't have bought that fancy truck, should haven't bought that big house. We don't have a big truck or a big house or fancy things

and we're still having trouble getting by. I wish I was losing a fancy truck."

About 3,000 kilometres to the southeast, Simone Landry operates a horse farm in Mascouche, Que. She unwittingly became part of the national energy debate a few years ago when she saw some men taking measurements at the perimeter of her land. They told her they were making those measurements for a pipeline.

The Energy East pipeline is proposed to pass just outside the boundary of her property, just a few feet from where her horses graze. She is fighting it, not because of any animosity toward people like Justin and Leanne Mills, but because her priorities are different.

"It has nothing to do with Alberta. It has to do with the choice we made many moons ago, to save our land, save our soil," Landry said.

There lies the two sides of the energy debate in Canada. One that divides Canada down geographic and political lines and also leads to contradiction. Canadians worry about the economy, we know energy is important, but say we can no longer ignore environmental issues.

In mid-February, CBC News commissioned an online poll on the attitudes of Canadians toward, energy, the economy, and the environment. EKOS surveyed almost 2,100 Canadians between Feb. 16-26. The results showed:

92 per cent of respondents are concerned about the economy.

70 per cent recognize that energy plays a key role in the economy.

84 per cent were concerned about protecting the environment.

56 per cent said they were more worried about the economy than the environment.

"At the highest level, you see this tremendous collision going on between two really powerful forces," said Frank Graves, president of EKOS.

Economic prospects for Canadians are dismal and that's coupled with a sea change commitment to climate change and a low carbon economy, said Graves.

"So here we see an enormous



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amount of division across those two competing forces. We also see it exceptionally divided on regional and partisan lines as well," he said.

The economic pain in Alberta touches just about every town and city. Small oil and gas producers face bankruptcy, service companies can't find work, and large corporations count layoffs in the hundreds and thousands.

Activity has slowed substantially for Performance Energy Services, a Calgary-based cementing and well abandonment business. The number of employees has dropped from 63 at the beginning of 2015 to just 24 right now.

"Just today I did another two layoffs," said Scott Darling, company president. "It's been a hard struggle to go through. A lot of uncertainty for the folks and it's hard for them to go find other jobs."

The company's Red Deer field office is located in an industrial park among hundreds of other oil and gas firms. "For lease" signs line the streets in the front yards of offices and workshops.

Darling doesn't want a bailout for the beleaguered industry, he just wants to see support for new pipelines so Alberta companies can receive a better price for exported oil.

"I think it's pretty obvious that the rest of Canada doesn't have our back," he said. "We are probably getting 40 per cent less for our oil than anywhere else in the world. If the federal government just helped us get our product to market, that's 40 per cent more money in our coffers right here."

For more than a decade, Alberta has produced the most greenhouse gases of any province and emissions are increasing. Since the UN climate change conference in December, Canada's oil and gas industry has been told it needs to start adapting to a de-carbonized world.

Darling defends the environmental impact of the oil and gas industry, arguing it's a highly regulated business that continually reduces its footprint. Critics are often ill-informed, he said.

"World oil usage is going up by the day, by the year," said Darling. "The addiction for North Americans away from oil and gas is not there."

The dispute about balancing energy and environmental priorities was a major theme in the poll.

"There are definitely different views on what it really means to have a low carbon economy and how fast should we be getting there," said Trevor McLeod, who studies natural resources policy for the Canada West Foundation, a Calgary-based think tank.

The poll suggests that most Canadians believe the way to reconcile the two is through more regulation of the energy sector, with 79 per cent of respondents supporting stricter laws and regulations to protect the environment even if it hurts certain industries.

There was also support for higher energy costs, if it meant Canada was taking action on climate change and the environment. That is also a shift.

"We'll see if people are ready to

actually walk the talk," said Graves. "Canadians have been pretty heroic about the environment as long as it didn't come out of their pocketbook. But I think right now we're seeing real signs of people prepared to make some important changes."

FALLOUT IN ALBERTA: THE OIL CRASH ISN'T JUST ABOUT LOST JOBS

Disillusionment has a way of setting all sorts of bad thoughts in motion

The story assignment from The National was simple. Go to Alberta and talk to regular people about the crash in the price of oil. Humanize the downturn.

Harsh economic numbers coming out of Alberta aren't hard to find. A projected deficit of \$10.4 billion. An unemployment rate of 7.4 per cent, the highest mark since 1996.

Then there was the startling projection from the Conference Board of Canada last week that Alberta will be the only province to see its economy shrink in 2016.

But what do these figures mean for people? How the downturn affects individual lives is much harder to figure out.

It is not always easy to get people to talk about these kinds of things. People who've just lost their jobs are busy trying to find another one, or they're embarrassed by their situations.

But here are three people who agreed to speak to us and share some of their personal experiences

during Alberta's current downturn.

Sonnenberg, 35, worked for five years on a drilling rig in the oil patch. He started at the bottom as a leasehand and worked his way up to derrickhand. Before he was laid off in January he was making \$40 an hour. He never thought the good times would end.

"You're feeling this stuff for the first time, and you're feeling this worry and this fear and you're looking around and you don't see any relief," he says. "You want to speak to other people but they're embarrassed by their own situations."

"They don't want to speak about how they filed for bankruptcy, they don't want to talk about the two vehicles they've lost, they don't want to talk about having to move back into their parents' basement."

"And I've had these things happen to several of our friends. It's hard to watch."

"We are the canary in the coal mine," Raynar says about the food bank in Leduc where she is the manager. Raynar has never been busier, and she says it's the same situation all across the province.

Demand on the food bank in Medicine Hat, she says, is up an unbelievable 500 per cent over this time last year. But it's the people coming in who get to Raynar.

"The frustration that we see in our clients, feeling like there is no tomorrow. Like I am going to lose everything? And there's no one out there to go to, there's no one who cares."

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"Alberta is now the one that is taking the hit, so how can the rest of Canada not come to our help," she wants to know.

Raynar admits she doesn't see how she is going to keep up with the demand because 80 per cent of the people who now use her services used to donate to the food bank.

Clarence Shields owns the sprawling Blackjacks roadhouse in Leduc. It's a kind of unofficial union hall for oil workers.

From 1980 to 1993 Shields's father, Jack Shields, was the Conservative member of Parliament for the then district of Athabasca, which included the town of Fort McMurray.

It's not surprising then that Clarence serves not just beer, but politics, from behind his bar.

Clarence made it through the last big crash in the mid-1980s even though he says he lost everything and had to start again.

Shields argues that what's happening now is similar. He offers a warning from back then, and a reminder that downturns aren't just about job losses — the stakes are much higher than that.

"We were left, as a province with nowhere to turn. We received no support federally, and we were left on our own, and that's what spurred so many of the splinter political parties in Alberta that wanted to separate. That wanted to leave this country."

Now, he says, "you're seeing a rehash of the '80s. You're seeing a generation that has never experienced as quick and as decisive a downturn as we got right now."

"They don't know where to turn. All we have heard from our government

so far is 'It'll be OK'. Well it's not OK. We need help. We really need help."

PRO-LNG TRUCKERS RALLY IN NORTHERN B.C. HOPING TO SWAY OTTAWA

After a year of layoffs and pay cuts, truckers in B.C.'s gas patch ask Ottawa to approve LNG project

Hundreds of B.C. truckers rallied in Fort St. John and Fort Nelson today, trying to send Ottawa a message that their once-booming gas patch communities are banking on an LNG industry for jobs.

Federal Environment Minister Catherine McKenna is expected to make a decision later this month on the controversial \$36-billion Pacific NorthWest LNG plant proposed near Prince Rupert, B.C., a project backed by Malaysia's Petronas.

The events, and a third rally in Terrace, were promoted by the Independent Contractors and Businesses Association of B.C., with the slogan, "Northern jobs for Northern families."

In Fort St. John, B.C. Liberal MLA Pat Pimm said there were more than 580 trucks at the rally, with many drivers talking about laying off workers and taking "too many holidays" as work has dried up, due to falling natural gas prices and other factors.

"In the fourteen years that I've been in Fort St. John this has absolutely been the worst year ever," said Murray McClelland of Caliber Oilfield and Production Services, who said he's laid off 25 workers this year.

By one estimate, the Fort Nelson rally drew more than 100 trucks, while some said they counted over 300.

Chuck Fowler Jr. and Sr. both

drove their trucks in the Fort St. John rally, "to support LNG, there's no two ways about it," said the elder Fowler. "We've got to make some noise or else they don't even know we're in northern B.C."

"We need a market. We need pipelines, and we need jobs."

Christy Clark's B.C. Liberal government won the last election in part on a promise of prosperity driven by LNG, or liquefied natural gas.

The idea is, natural gas from B.C.'s vast shale reserves would be fracked in northeastern B.C. and transported by pipeline to the coast, where a liquefaction plant would compress the gas to make it liquid, for shipping to foreign markets.

But there are no LNG projects confirmed, and the multi-billion dollar Pacific NorthWest LNG project — which proponents argue would create 4,500 construction jobs and 330 long-term operational jobs — is not a sure thing.

"What we're trying to do is show Ottawa that there's a whole bunch of people throughout the north of B.C. that this really matters to," said Gord Stewart, senior vice president with the Independent Contractors and Businesses Association of B.C.

Stewart is based in Vancouver but says he's heard from a broad spectrum of northern businesses — from engineering firms to realtors to car rental agencies and construction contractors — who want LNG to succeed.

"Construction's a service industry, right? So we need the economy to be going in order for our members to work."

The other side of the LNG debate has

also been trying to make its case as pressure builds, awaiting the federal government's decision on Petronas's Pacific NorthWest LNG plant.

Last week, 130 scientists sent a letter to McKenna calling the Canadian Environmental Assessment Agency's draft report on the project "scientifically flawed."

McKenna was not available for an interview, but a statement from staff said she hasn't yet decided on the project, and is reviewing 34,000 comments received during the recent public comment period on the project, along with new information from the proponent.

She has two options.

Either conclude the LNG plant is "not likely to cause significant adverse environmental effects," and give it the go-ahead with legally-binding conditions.

Or, conclude significant environmental impact is likely — in which case it's up to Cabinet to decide whether the damage is "justified in the circumstances."

CARBON LEVY CASH TO FINANCE BIODIESEL REFINERY IN EDMONTON

An Edmonton company promises cheaper, cleaner biodiesel on a commercial level

An Edmonton based company plans to commercially produce a new biofuel capable of completely replacing diesel by the end of the year, at a lower cost than existing renewable fuels.

SBI Bioenergy in south Edmonton is in the final stages of building a biorefinery to convert canola

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oil and animal fats into a renewable fuel that can replace or be blended with regular diesel.

CEO Inder Pal Singh said his technology produces a cleaner fuel than other renewable products, because it doesn't use water or hydrogen. The process also doesn't produce any waste, he said.

"Any kind of vegetable oil can be converted into renewable diesel or renewable jet fuel using our technology," he said.

He added the low operating costs allow SBI to market a cheaper product than most renewable fuels.

While the new biofuel is capable of replacing diesel entirely, gas stations aren't equipped to carry entirely renewable fuels, Singh said.

His company plans to sell the fuel to refineries to be mixed with other diesel products to help meet federal renewable fuel standards.

He said he's already had interest from investors in the U.S. and Europe.

"There's international interest in this technology because our technology provides a major advantage in greenhouse gas reduction benefits and in operating and capital costs compared to what is out there today," Singh said.

SBI is preparing to move into its new demonstration refinery in the Edmonton Research Park, which will produce 10 million litres of renewable fuel per year by the end of 2016.

After that, Singh plans to launch a full-scale plant capable of producing 240 million litres per year by 2018.

Based on his rough estimates, Singh said at that stage the company may be able to supply the entire province with enough biofuel to meet renewable fuel standards.

The Alberta government has earmarked \$10 million from the existing carbon levy for the \$20 million refinery.

Premier Rachel Notley announced the funding at a press conference on Thursday.

"The potential of this innovation is game changing," she said.

According to the government, the investment will reduce greenhouse gas emissions by more than 112,000 tonnes by 2020 - the equivalent of removing 23,000 cars from the road for one year.

Singh said he eventually hopes to grow his business to manage gas stations that carry his product, so consumers can fill up their tanks with an entirely renewable fuel.

GOVERNMENT HIRES FACILITATOR TO HELP PHASE OUT COAL-FIRED ELECTRICITY BY 2030

Facilitator will be paid \$600,000 between now and September

The government has hired a facilitator to work with power generation owners in the province to fast-track the phase-out of coal-fired electricity by 2030.

Terry Boston has been hired for six months at a cost of \$600,000. He recently retired as president of PJM Interconnection, the second-largest centrally dispatched power system in the world.

Economic Development Minister Deron Bilous said part of the reason for the hiring is that under Boston's leadership, PJM phased out 26,000 megawatts of coal generation, far more than Alberta's 16,000 megawatt grid.

"Our priority is to get the best deal for Albertans," Bilous said. "We know that this is money well spent."

Boston will be responsible for bringing forward recommendations to the government on how to transition to cleaner sources of power without sacrificing reliability or driving up costs.

Bilous expects Boston to help the government reach a deal with coal-fired electricity generators by the time his term is up in September.

In 2014, 55 per cent of Alberta's power came from coal.

Under federal coal phase-out regulations, 12 of the province's 18 coal-fired generation plants would be shut down by 2030. The provincial Climate Leadership Plan aims to eliminate greenhouse gas emissions from those remaining plants.

Wildrose Leader Brian Jean said the government should not be moving faster than the federal government, especially since the costs will be downloaded onto Alberta consumers.

"I think it's very frightening at a time when we have an economy that is so sluggish," Jean said.

Bilous said he is working with communities that will likely be affected by job losses as plants are closed down.

"They're obviously worried about the families and workers in their communities and how this is going to affect them," Bilous said.

He said he met with leaders in those communities, and will have more details on what the government plans to do to help ease the transition in a few weeks.

Bilous and other cabinet ministers heard concerns about the coal phase-out and the carbon tax from rural Reeves and councillors attending the Alberta Association of Municipal Districts and Counties Wednesday.

"The early shutdown will cost us \$224 million in revenue," said Parkland County Coun. Jackie McCuaig. "There will be many lost jobs. How are we going to make up for this?"

Bilous said it was his job to work with affected communities. He said the previous Progressive Conservative government didn't have a plan to help communities facing job losses due to the federal coal plant shutdown.

IMPERIAL OIL SEEKS APPROVAL FOR A NEW \$2B ALBERTA OILSANDS PROJECT

Company says it takes a long-term approach to resource development

Imperial Oil is seeking approval for a new \$2 billion oilsands project on its Cold Lake lease area in northeastern Alberta.

The company says it has filed the regulatory paperwork with Alberta Energy Regulator for the Cold Lake Expansion project, but Imperial spokeswoman Lisa Schmidt said development is not guaranteed.

"This is a preliminary and very important step in the regulatory process," Schmidt said Friday.

"Overall, we take a long-term approach to resource development, and an ultimate investment decision will be based on a variety of factors including regulatory approvals, market conditions and economic

competitiveness," she said.

Imperial, majority owned by U.S. energy giant ExxonMobil, is taking the next step in the process as other oilsands developers delay or even shelve expansion projects in the face of low oil prices.

The steam-assisted gravity drainage project would tap into the Grand Rapids formation, which Imperial says has roughly 550 million barrels of potential resources.

It would use solvent to ease the flow of the thick bitumen, a process that the company says will reduce greenhouse gas emissions and water use per barrel by around 25 per cent compared with conventional steam-assisted extraction.

Imperial says the technology has been used in pilot projects at its current Cold Lake operation since 2010.

Construction could start as early as 2019 assuming Imperial gets timely regulatory approvals.

If developed, the new oilsands project would produce about 50,000 barrels per day of bitumen starting in about 2022.

Cold Lake Mayor Craig Copeland welcomed the news that Imperial was taking the next step in the process.

"For us, it's very exciting news for our community. We desperately need good news right now, so I'm really happy to hear that Imperial Oil's going to move forward," Copeland said.

Imperial says the Cold Lake expansion is one of several oilsands opportunities it's considering.

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