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Published By: NEWS COMMUNICATIONS since 1977

Wednesday March 30th 2016

SQUAMISH WOODFIBRE LNG PROJECT OPPONENTS ANGRY OVER FEDERAL ENVIRONMENTAL APPROVAL

Thousands of opponents say they feel 'snubbed'

An environmental group fighting the proposed Woodfibre LNG plant near Squamish says it's disappointed with the latest thumbs-up for the project.

On Friday federal Minister of Environment Catherine McKenna approved an environmental assessment done by the province on behalf of both levels of government, subject to certain conditions.

McKenna called the environmental assessment "thorough and science-based," and said the LNG plant is unlikely to cause significant harm.

The decision includes a list of legally-binding conditions the company building the plant must meet, including mitigating impact on fish habitat and implementing noise and air emission reduction measures.

But the members of the group My Sea to Sky say they feel "snubbed" by the approval.

"We had expected better from this new government," co-founder Eoin Finn said Monday.

"They promised the greenhouse gas footprint would be much improved under their jurisdiction and this is a step in the wrong direction," said Finn.

The group claims the plant will damage the Howe Sound environment, hurt tourism, and doesn't fit into the future of Squamish.

Finn also he disagrees with the how the environmental assessment was conducted.

"There was no peer-review, no opportunities to cross examine the evidence presented, and all of the science was funded and paid for by the proponent."

The project has attracted a number of protests and petitions since it was first proposed. According to the group My Sea to Sky, nearly 9,000 people signed a petition against it, and hundreds of residents voiced opposition at three recent town hall meetings.

Houston-based company KBR Inc announced Monday it will start engineering and design work for the proposed project north of Vancouver, but the project still needs approval from Transport Canada and Fisheries and Oceans Canada.

JOBLESS OILSANDS WORKERS LOOK TO ALTERNATIVE ENERGY

'Iron and Earth' ask province to commit to solar energy, retrain workers

A group of former oilsands workers is developing a plan to help laid-off colleagues get retraining in alternate energy sources.

The non-profit group, which bills itself as Iron and Earth, is holding a news conference in Edmonton Monday to ask the province and corporate sponsors to commit to 100 solar installations on public buildings.

They are also asking the government to re-train 1,000 oil and gas electricians as solar electricians in order to do that work over the next three years.

"We have the skills to build the renewable energy infrastructure required for Canada to meet their climate target," said executive director Lliam Hildebrand.

"That will open up a huge amount of opportunity for us if we can start diversifying our energy grid and it would ensure that we are less vulnerable to price fluctuations."

Hildebrand said the idea started percolating last spring as oil prices started to drop.

He said it is clear the province needs to diversify and finding alternate sources of energy is a good start.

Environment Minister Shannon Phillips said she asked her department to meet with Iron and Earth.

"We know that as we transition from coal to cleaner sources of power there will be new job opportunities in a more diversified energy economy," she said in a emailed statement.

"We are committed to balancing the development of clean and diversified energy with ensuring affordable rates for Alberta families and businesses."

OILSANDS GROWTH IN DOUBT AND COULD AFFECT NATIONAL GDP, FEDERAL FINANCE REPORT WARNS

Post-2020 investment to expand Alberta's oilsands could slow or stall

Increased competition, low prices and climate change policy have put the future growth of Alberta's oilsands in doubt — and that has the federal government concerned.

Several new projects are under construction in Northern Alberta that will be completed in the next several years and increase oil production. However, after 2020, there is uncertainty about new investment.

A report by the federal Department of Finance, obtained by CBC News, suggests further oilsands expansion is vulnerable and that could impact the national GDP.

"The thing that really stuck out for me is that none of the pathways that they describe really define a future where you are really going to see a lot of additional development in the oilsands sector," said Prof. Warren Mabee, an energy researcher at Queens University.

The Liberal government may, in Tuesday's budget, begin to introduce policy to help diversify the economy away from oil, Mabee suggests.

"What we are talking about is a continued transformation," said Mabee, who is director of the Queen's Institute for Energy and Environmental Policy (QIEEP). "We are going to need other parts of the economy to really start picking up the slack."

Industry predictions for oilsands growth over the next few decades have fallen to the point some wonder if growth will be nearly flat after 2020. The severe downturn in oil prices has led to tens of thousands of job losses and deep cuts to investment.

CAPP's most recent forecast was from June 2015. The industry group is expected to lower its outlook further this summer.

"We had 17 cancellations or delays in 2015 [of oilsands projects]," said Jackie Forrest, a vice-president with ARC Financial in Calgary. "It's

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uncertain, even if oil prices come back, how many of those will come back on the books."

Oilsands projects are expensive and take several years of construction before they begin to produce oil, which is why companies may choose to invest in U.S. tight oil plays instead, since those projects are smaller, produce faster and have lower risk, according to Forrest.

Tight oil, found in places like North Dakota's Bakken formation, is typically a hard-to-reach deposit but has become relatively easy to extract in the past decade with hydraulic fracturing technology.

"There's still going to be investment, but there won't be the wave of investment that we saw in the last five years," she said.

This month, Imperial Oil announced a proposal for a new $2-billion project that could begin producing oil in 2022, although an actual investment decision has yet to be made.

Even if new projects dry up after 2020, Forrest estimates companies will still have to spend around $13 billion annually to maintain current operations.

Industry estimates had pegged 2015 oilsands capital investment at about $23 billion, compared to $33 billion in 2014.

Oil prices are hovering around $40 US a barrel and, based on different forecasting scenarios by the International Energy Agency, prices could average between $55 and $80 in 2020 and between $70 and $113 by 2030.

Currently, oilsands projects generally require oil prices of at least $60 to make money, although the facilities do have a long lifespan to recover capital investment and turn a profit.

"As the marginal supplier of world oil, because of its high costs and climate change footprint, Canadian oilsands would face the brunt of the post-2020 reduction in oil demand (despite the price approaching $80)," said the federal finance report obtained by CBC News through an access to information request.

"The report confirmed my main concern — which is, long term, the oilsands are not viable," said Allan Dwyer, a finance professor at Mount Royal University in Calgary.

"We're going to miss the boat. We're racing as fast as we can, hoping there will be technological advances which make it cheaper for us to produce oilsands oil," he said. "I don't think we can do it. There hasn't been enough R and D [research and development]."

The report, dated December 9, 2015, lays out what that could mean for the country's economy:

"Production growth will begin to decline in the absence of new investment, and hence the GDP impact from no investment in the oilsands would grow. Such a loss would have to be balanced, however, against that investment moving to other parts of the economy that have traditionally showed higher productivity growth, as well as the impacts of a lower dollar on non-energy manufacturers and exporters. Overall, if oil prices were to remain flat through 2020, rather than rising as projected in the 2015 Budget and recent Fall Update, lower GDP inflation would likely remain the dominant channel of impact."

Besides prices and competition from U.S. tight oil, the oilsands faces other headwinds such as climate change policy at the provincial and federal level. What type of carbon pricing and emission regulations will be in place by 2020 is tough to predict, let alone how they will evolve during the lifespan of an oilsands operation. The federal finance report suggests the global trend of climate change policies "will impact Canada's terms of trade adversely in the long run."

Significant technological advances could lower capital costs and environmental footprints of oilsands operations.

PACIFIC NORTHWEST LNG DECISION DELAYED AS OTTAWA ASKS MORE QUESTIONS

3 month extension by Environment Minister Catherine McKenna sends B.C. officials to Ottawa to 'overcome delay'

The federal environment minister's long-awaited decision on the controversial Pacific NorthWest LNG plant near Prince Rupert, B.C. has been delayed at least three months while environmental regulators demand answers from the company on potential impacts to fish, marine mammals and human health.

The company received a six-page letter from the Canadian Environmental Assessment Agency Friday, outlining its new questions, and the revised timeline — that the federal government will take up to 90 days to make a decision after it gets answers from Pacific NorthWest LNG, Ltd.

That news sent B.C. officials scrambling to Ottawa over the weekend trying to "overcome this delay and reach a positive final outcome," B.C. Minister of Natural Gas Development Rich Coleman said in a statement Monday.

Environment Minister Catherine McKenna was expected to make a decision this week on the $36-billion project, backed by Malaysia's Petronas, which would build a natural gas liquefaction and export facility on Lelu Island, to condense natural gas for export to Asian markets.

However, earlier this month the company sent regulators "significant new information," according to a statement from McKenna, prompting new questions.

"It is critical to get this decision right," McKenna's statement read. "Therefore I am providing the proponent an additional opportunity to clarify its mitigation plan, clarify its concerns on the current conditions, and ensure the risks posed are minimized."

According to the CEAA letter, the company told it March 4 that it would be unfeasible to limit in-water marine construction to certain times, to limit impacts on herring spawing, salmon rearing, eulachon and marine mammal migrations — a proposed condition for approval.

Lelu Island is at the mouth of the Skeena River, described by the CEAA as "one of the largest and most diverse wild salmon watersheds in the world," and second only to the Fraser River for sockeye salmon.

The company said construction "must generally be able to proceed on a continuous basis, night and day," the CEAA letter states, raising uncertainty for the regulator about impacts on fish and marine mammals.

The letter also raises questions about human health, with round-the-clock disturbance from nighttime construction, and is requiring a "quantitative assessment" of the effects on human health from the nighttime light and noise.

Once the company submits new information, the government is giving itself 15 days to decide if their questions are answered, and then up to 90 days to make a decision on the project, according to the letter and the minister's statement.

The B.C. government has a lot riding on approval PNW LNG project, which it calls "the largest private-sector investment ever in Canadian history," promising 4,500 construction jobs and 330 operational jobs.

Premier Christy Clark won the last election in part on promises of LNG prosperity, but uncertainty exists whether any of the proposed liquefaction and export terminals will ever be built.

"I'm confident that any remaining questions can be answered completely and quickly," said Coleman's statement Monday. "They have to be."

"Jobs for British Columbians should not be held by unnecessary delays."

McKenna's statement calls the creation of a new LNG industry "a significant economic opportunity for Canadians and British Columbians," but also says development has to happen "in an environmentally sustainable manner."

"We are committed to rebuilding Canadians' trust in environmental assessments, and to do so we need to make sure assessments are thorough and credible."

PENN WEST PETROLEUM CONFIRMS $230M ASSET SALE, INCLUDING NORTHERN ALBERTA PROPERTY

Sale is part of company's effort to reduce operating costs

Penn West Petroleum Ltd. says it has negotiated the sale of an additional $230 million of assets, including a formerly core property in the Slave Point area of northern Alberta.

The Slave Point transaction is worth $148 million. The sale of non-core assets will add a further $80 million in cash.

Penn West says the sale of Slave Point will reduce its overall operating costs.

It also expects to have room to develop and grow through its Cardium play south of Slave Point and its Viking play on the Alberta-Saskatchewan border.

It says the effective sale date for the Slave Point transaction will be Jan. 1 and the deal is expected to close during the second quarter of 2016. The sale of non-core assets is also to close during the second quarter.

Since the beginning of 2015, Penn West has completed or arranged $1 billion in cash asset sales.

"Although Slave Point has long been one of our core assets, given the current outlook for commodity prices, we had no development activity planned for at least the balance of this year," Penn West chief financial officer David Dyck said Monday.

"While we believe that Slave Point offers upside, the extension of our Viking play and recent Cardium performance provide us with ample development and growth opportunities and the most attractive rates of return in our portfolio. We are confident that our over 1,400 sections of land between those two plays will give us significant running room going forward."

MAN FALLS TO HIS DEATH AT NORTHERN ALBERTA WORKSITE

Occupational Health & Safety are investigating the incident

A 29-year-old man is dead after taking a fall at northern Alberta work site.

The worker fell about 21 metres to his death Monday morning, according to officials with Occupational Health & Safety who are investigating the incident.

The man was helping put up scaffolding at a new storage tank on a TransCanada pipeline project, approximately 90 km north of Fort McMurray, when he was killed around 10:45 a.m

Investigators confirm the man was an employee of Horton CBI Ltd.

The name of the deceased has not been released.

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