



Sign Up with the Oilfield News Online



www.oilfieldnews.ca

www.wilsonimmigration.com
 What Immigration, Naturalization & Citizenship
 Your gateway to a new life.
 660 Rocky Mountain Plaza, 615 Macleod Trail SE, Calgary AB
 Phone: 403.264.2923 / Fax: 403.266.5162
 403.266.7143
 Toll Free: 1-888-657-8255
 Ann Wilson, CHRP, ICCRC R421415
 (Formerly Citizenship Judge)
 ann@wilsonimmigration.com

Published By: NEWS COMMUNICATIONS since 1977

Saturday January 28th 2017

U.S. OPERATORS PLAN MAJOR DRILLING BOOST AS INDUSTRY SHAKES OFF DOWNTURN

The North American upstream industry is set to stage a comeback, according to new data presented by World Oil, the premier trade publication for the international upstream industry.

According to proprietary survey data, gathered from U.S. operators, U.S. state agencies and international petroleum ministries/departments, World Oil forecasts the following for 2017:

U.S. drilling will jump 26.8 percent higher, to 18,552 wells.

U.S. footage will increase 29.8 percent, to 151.5 MMft of hole.

U.S. Gulf of Mexico E&P activity, focused on deepwater projects, will go up approximately 9.4 percent, with increasing well depths and footage.

Canadian activity will begin to improve, gaining 21.6 percent to 4,212 wells.

Global drilling should increase moderately to 39,742 wells, for a 6.1 percent pick-up.

Global offshore drilling, reflecting stagnant capex outside North America, will only increase 1.4 percent to 2,604 wells.

Speaking to about 400 attendees at a breakfast briefing, Kurt Abraham, World Oil's chief forecaster and editor, noted that U.S. production—which averaged 8.9 MMbopd in the fourth quarter, up from 8.7 MMbopd in the third quarter—appears to be on the rise. However, he warned, North America may have to continue in its new role as swing producer, and therefore may be required to remain flexible.

Texas. Drilling in the Lone Star State will rise 26.4 percent, with double-digit increases expected for all 12 of the Railroad Commission districts. While the gains are being led by the Permian, with some additional recovery in the Eagle Ford, there is also significant improvement under way in conventional activity. Permian basin. In 2016, operators

drilled 3,198 wells in Railroad Commission Districts 8 and 7C, more than originally anticipated. For 2017, World Oil expects to see 3,999 wells drilled in these districts. For 2017, the industry projects a 10 percent increase in average lateral length for the Permian.

Eagle Ford. In the Eagle Ford's predominantly oil portion, concentrated in District 1, activity should increase 28.3 percent. World Oil predicts that operators will drill 802 wells with an average TD of 14,250 ft. In the gas-heavy Railroad Commission District 2, operators have said they plan to drill 638 wells to an average TD of 15,400 ft, a gain of 23.9 percent. Activity in District 4 is also forecast to increase 19.1 percent.

Gulf of Mexico. Activity has been at historically low levels in the Gulf over the last several years, and 2016 was the lowest yet, with just 117 wells tallied. However, a core of deepwater development activity has continued, and it will continue to form the bulk of work in the Gulf. World Oil projects that drilling will increase about nine percent, to 128 wells.

Oklahoma. During 2017, drilling in the state, home to the emerging SCOOP and STACK plays, is expected to increase 38.5 percent overall, with 1,809 wells scheduled for an average TD of around 11,600 ft.

North Dakota. Based on figures from state officials and a proprietary survey of operators, World Oil forecasts that drilling in North Dakota will total 925 wells in 2017, accounting for 18.7 MMft of hole. Average well depth, including lateral sections, will be approximately 20,250 ft.

Louisiana. Drilling in the northern half of the state is expected to be up a stout 31.2 percent. Meanwhile, in the state's southern half, featuring conventional oil and deep gas wells, activity is recovering at a more measured pace. Wells drilled are forecast to increase 12.8 percent, to 123.

Northeastern states. In Pennsylvania, operators plan to drill 774 wells for a 29 percent increase. In Ohio, drilling should increase 19.1 percent, to 380 wells. And in neighboring West Virginia, gas-targeted activity is on the rebound, with about half of the

Revolution Industrial Equipment Co.
 Exceptional products for exceptional customers
 Tel: 306.539.8775
 Regina, SK
 We specialize in Vacuum Equipment and Components for Industrial, Municipal, Utility and Construction Applications.
 We sell Hydrovac Trailers, Single Axle, Tandem and Tri-Drive Custom Hydrovacs, Septic Trucks, hoses, fittings, nozzles, boilers and steam units.
 www.revolutionequipmentco.com
 revolutionequipment@sasktel.net

wells in the Marcellus. Total wells should reach 245, up 21.9 percent.

Rocky Mountain states. As operators boost drilling in the prolific Niobrara shale, particularly in the DJ basin, Colorado will see its wells drilled rise 34 percent, to 1,012 wells. New Mexico should see its wells drilled total 710, for an impressive 40.6 percent increase.

California/Alaska. Drilling in California, the bulk of which is accounted for by just four firms, is expected to improve about 30 percent, to 892 wells. Meanwhile, in Alaska, drilling is forecast to increase 15.2 percent, to 167 wells.

The new Hearing Panel assigned to review the Energy East and Eastern Mainline applications has voided all decisions made by the previous Hearing Panel. These decisions will be removed from the official hearing record.

Previous decisions that have been voided include: Determination that the Energy East and Eastern Mainline applications are complete; Decision to review the Energy

East and Eastern Mainline applications via a single hearing;

List of Participants and any subsequent individual rulings on participation;

Lists of Issues and factors to be included in the environmental assessments under the Canadian Environmental Assessment Act, 2012; and, Hearing Order.

All hearing steps and related deadlines are no longer applicable. The new Hearing Panel will decide how to move forward with the hearing.

Those who have already submitted an application to participate do not need to reapply. The Panel will review all of the filed applications to participate and release a new List of Participants.

The Hearing Panel has also decided that the project applicants do not need to refile their applications. If the new Hearing Panel determines that the project applications are complete the 21-month time limit will begin anew.

The NEB will share more information when it is available. Quick Facts On January 9, 2017, Don

Ferguson, Carole Malo and Marc Paquin were assigned to carry out a review of the Energy East and Eastern Mainline projects. Energy East is a 4,500-kilometre pipeline proposal to carry 1.1-million barrels of crude oil per day from Alberta and Saskatchewan to refineries in Eastern Canada and a marine terminal in New Brunswick.

The Eastern Mainline is a proposal to build approximately 279 kilometres of new gas pipeline and related components, beginning near Markham, Ontario and finishing near Brouseville, Ontario.

NEB APPROVES ENBRIDGE LINE 10 WESTOVER SEGMENT REPLACEMENT

The National Energy Board (NEB) has approved Enbridge's Line 10 Westover Segment Replacement Project in southern Ontario. Having considered the evidence, the NEB believes the project is in the public interest and has imposed a total of 46 conditions covering a wide range of matters, including emergency management and environmental protection.

Providing the conditions and company commitments are met, the NEB believes the project is unlikely to have significant adverse environmental effects. In their decision, the three-member Hearing Panel noted that Enbridge had revised the project route during the course of the hearing process based on consultation from stakeholders. They also highlighted

the proponent's commitment to work with Indigenous groups to ensure their involvement in the monitoring of construction, post-construction and decommissioning activities.

This decision follows a public hearing that included several written steps, a community meeting where Six Nations of the Grand River provided Oral Traditional Evidence and oral cross examination and final argument. The NEB granted participant status to 15 applicants, and allocated funding awards totaling \$142,000 through its Participant Funding Program. This program provides financial assistance to cover hearing related expenses, which can include fees paid to a lawyer or expert, and travel or administrative costs.

As set out in Federal legislation, construction of pipelines of less than 40 kilometres (km) does not require Cabinet approval. The NEB will monitor compliance with the conditions associated to this decision through the project's lifecycle.

Quick Facts
Enbridge's Line 10 application proposes to replace 32 km of existing 12 inch-diameter Line 10 pipe with 35 km of new 20 inch-diameter pipe in southern Ontario. It will connect Enbridge's Westover Terminal to its Nanticoke Junction Facility in the City of Hamilton. The project includes three new sections for proposed reroutes from the existing right-of-way totaling approximately 11 km.

The NEB determined the project would provide economic benefits, predominantly in the construction phase of the project through both direct and

indirect business opportunities, and fees for permits and taxes.

The capital cost of the project is approximately \$219 million.

The NEB regulates approximately 73,000 km of pipelines that cross provincial boundaries or the Canada-U.S. border.

In any given year, the NEB conducts more than 300 compliance verification activities related to these facilities.

TRANSALTA ANNOUNCES SALE OF INTEREST IN WINTERING HILLS FACILITY

TransAlta Corporation ("TransAlta") (TSX: TA; NYSE: TAC) has announced the sale of its 51 per cent interest in the Wintering Hills merchant wind facility for approximately \$61 million. Proceeds from the sale will be used for general corporate purposes, including to reduce debt and to fund future renewables growth, including potential contracted renewable opportunities in Alberta. The sale is expected to close in the first quarter of 2017 and is subject to customary closing conditions, including the receipt of certain regulatory approvals. TransAlta acquired the interest in Wintering Hills in 2015 in connection with the restructuring of the arrangements associated with its Poplar Cree co-generation facility.

"The sale of our interest in Wintering Hills will not materially impact our EBITDA, funds from operations (FFO) or free cash flow (FCF) guidance for 2017," commented

Donald Tremblay, Chief Financial Officer. "TransAlta, as Canada's and Alberta's largest wind operator, remains committed to the expansion of its renewables fleet in Alberta"

The Wintering Hills facility was commissioned in 2011, is located near Drumheller, Alberta, and consists of 55 GE, 1.6 MW wind turbines with average annual production, net to TransAlta, of approximately 143GWh.

About TransAlta Corporation:

TransAlta is a power generation and wholesale marketing company focused on creating long-term shareholder value. TransAlta maintains a low-to-moderate risk profile by operating a highly contracted portfolio of assets in Canada, the United States and Australia. TransAlta's focus is to efficiently operate wind, hydro, solar, natural gas and coal facilities in order to provide customers with a reliable, low-cost source of power. For over 100 years, TransAlta has been a responsible operator and a proud contributor to the communities in which it works and lives. TransAlta has been recognized on CDP's Canadian Climate Disclosure Leadership Index (CDLI), which includes Canada's top 20 leading companies reporting on climate change, and has been selected by Corporate Knights as one of Canada's Top 50 Best Corporate Citizens and is recognized globally for its leadership on sustainability and corporate responsibility standards by FTSE4Good.

For more information about TransAlta, visit our web site at transalta.com, or follow us on Twitter @TransAlta.

SCS SAFETY COORDINATION SERVICES

Safety Compliance Health Environmental Learning Leaders

Industrial Safety Training: It's more than your ticket to a job, it's coming home safe at the end of each day. Our instructors provide top quality training, because your life matters.

www.safetycoordination.com

On-site & On-location Training
7 Days a Week

780-485-3585

7633 50th St NW
2nd Floor
Edmonton, AB
T6A 2W9

www.leducsaafety.com

1903 - 4th Street, Nisku, AB

P: 780-955-3300 * F: 780-955-7651

T: 1-800-668-4299

- * First Aid
- * TDG
- * H2S Alive
- * Ground Disturbance
- * Confined Space Entry/Rescue

Keeping You Safe

