

SALUTE TO THE OIL & GAS INDUSTRY

THE WORLD-
Spectator



SALUTE — TO THE — OIL & GAS INDUSTRY



Oil industry's roots run deep in the southeast

BY DAWN M. BARKER

The industry which provides more royalty revenue to this province than any other has deep roots that run a more than a half-century into the prairie soil.

The petroleum industry came into full swing in southeast Saskatchewan in 1955 when the first oil well was drilled in the Carn-duff area by Imperial Oil. That year, Saskatchewan enjoyed Canada's second largest investment in the oilfield industry, with an investment of about \$74,800,000 directed toward intensive exploration and development, according to the record of then-MP Carl Nickle.

However, the very first attempts at establishing an oilfield industry date back to 1888, before Saskatchewan was a province, when a well was

drilled near Oxbow, in the territory of Assiniboia. The prospective drillers went to a depth of 155 feet, some 4,000 feet above the oil bearing sands in the area. Similar unsuccessful attempts were made before the fruitful 1955 well was created.

This first well, which was a free-flow well (not powered by gas or electric pumps like its successors) was the first of more than 300 which followed in the next few years.

Three years earlier, the first major oilfield discovery, containing medium gravity crude, was made in the southwest area of the province. Only a year later, work on developing the Williston Basin (located between Estevan and Weyburn) began in earnest, beginning what would become a way of life for many of the residents of

this corner of the province.

The growing pains, however, proved a challenge for communities in the southeast. Estevan, for example, grew to about 8,500 in a period of two years, doubling its population and straining its infrastructure base.

Adequate services and retail outlets had a difficult time dealing with the influx of people. Those wishing to settle in the southeast, either to work in the oilfield or one of the service industries that served it, had great difficulty finding places to stay — hotels, motels and boarding houses were overflowing. Schools which had been built to anticipate a gradual population increase found themselves brimming over with students whose families had come from Alberta or the U.S. to take part in the

new industry.

This "boom" growth was in part tempered by the prairie residents' all-too-clear remembrance of the Dirty 30s which stood bleakly in their recent past, and some residents viewed the oil newcomers with suspicion. However, the energy and enthusiasm of this community, and the prospect of selling at a profit the land which had been simply a liability during the past two decades did much to encourage belief in the industry.

The pessimists, who believed the boom would be a brief thing, were proven wrong as the industry steadily climbed over the years, fueled in part by postwar anxiety concerning dependence on imported gas and oil reserves.

Short periods of market downturns, such as the one recently experienced in 1986 followed, but over-

whelmingly, the southeast became stronger and more established as one of the province's oil industry leaders.

By the end of 1955, Saskatchewan was Canada's second largest oil producer, with about 50,000 barrels of oil daily, and its third largest gas producer, with a trillion cubic feet of gas that year.

Today, Saskatchewan produces about 20 percent of all of Canadian oil production.

Back in 1955, 554 new oil wells were completed in the province. Last year, 1,743 new wells were drilled, and the trend shows no sign of slowing.

Ray Frehlick, president of Prairie Mud Services, an oilfield services company headquartered in Estevan, has great confidence in the sustainability of the oilfield industry. Ten years ago, Frehlick was chosen as the Southeast

Saskatchewan Oilman of the Year, to commemorate his 50 year history in the oilfield, 30 of which have been centered in the Estevan area.

"I think the oilfield industry is still going to be here long after you and I are gone, because they're finding new technology every day, particularly with CO2 injection systems," he said. CO2 injection is a newly developed method where carbon dioxide is injected into underground basins to force more oil out of a previously used area.

"In the Weyburn field, before they started the project only two years ago, only 28 percent of the crude oil in place was recoverable. With CO2, they're able to recover between 50 and 60 percent of what's there. That's millions and millions of barrels of oil," he added.

Continued on page C6



TS & M SUPPLY

24 Hour Service

Oilfield & Industrial Supply

- PC PUMPS
- SUCKER RODS & ACCESSORIES
- CASING & TUBING
- VFD AUTOMATION
- RIG SUPPLIES
- ENGINES & SKIDS
- STAINLESS STEEL
- ELECTRIC WELLHEAD DRIVES
- HYDRAULIC WELLHEAD DRIVES
- HYDRAULIC HOSE & FITTINGS
- CENTRON FIBREGLASS PIPE
- PIPE, VALVES & FITTINGS

TROY SMITH

Branch Manager

troy.smith@natoil.com

Box 949, 114 Pentland St.

Moosomin, SK

Phone: (306) 435-2969

Fax: (306) 435-4099

Classified deadline: 5 p.m. Thursday

FULL SERVICE RENTAL

CENTRE

- 1/2 Ton, 3/4 Ton & 1 Ton Trucks
- Compaction Equipment
(WALK BEHIND AND RIDE-ON)
- Man Lift and Scissors Lifts
- 2" – 6" Water Pumps
- Air Compressors and Generators
- Trenchers & Trac Hoes

PLUS MUCH MORE

*We are pleased to be able to
provide a service to the local contrac-
tors in the oil industry*



Wayne's Rental Centre

MOOSOMIN, SK • Phone: 435-4143 • Fax: 435-3386

FOR ALL YOUR RENTAL EQUIPMENT NEEDS!

SALUTE — TO THE — OIL & GAS INDUSTRY



Oil industry has long history in region

Continued from page C5

The province has diversified over the years to benefit from all three areas of the petroleum sector: upstream, midstream and downstream.

The upstream sector includes exploration and production, associated industries like seismic and drilling contractors, service rig operators, engineering firms and scientific technical, service and supply companies.

The midstream sector involves oil and gas pipeline systems that connect producing areas to consuming areas, and also the facilities which purify the petroleum and extract various gases and elements, and transportation industries.

The downstream sector consists of refineries, redistribution centres, service stations and petrochemical companies.

Developments in communications technology are contributing to the growth factor in southeast

Saskatchewan as well. Frehlick's company is situated in Estevan, while many of its competitors are in larger centres such as Calgary.

"We could be in Calgary, but this is a central location for the business we do," he said.

"Today, whether you're in Calgary, or Moosomin, or Estevan - wherever you are, communications systems are so advanced it doesn't matter really where you're located.

"We do have sales support staff in Calgary, of course, but we run just as efficiently from our location here as we could anywhere else."

Like it has affected location, technology has changed the face of the industry as a whole.

Improvements in technology and an increased focus on environmental stewardship and personal safety have made their impacts clear.

With the computerization of battery sites, monitoring

can be done from afar.

Complex mechanization systems allow companies to separate sour (H₂S) gas and marketable substances from the oil, which may then be marketed.

New technology allows companies to uncover new resources in more remote, deeper and geologically challenging areas, and to develop these when they are found.

Even the nature of the materials used in the work has changed. Plastics and fibreglass are employed where once only metal pipe was used.

Workers are becoming better educated and skilled. And, like other industries, the petroleum industry manages to accomplish this while staying globally competitive in an escalating market.

Oil is extremely lucrative for our province. Royalties and land bids paid to the province in the 2004-05 year totaled \$1.1 billion, representing more royalties than any other resource industry.

Approximately 75 per cent of the oil and gas rights throughout Saskatchewan are held by the provincial government, with the remaining 25 per cent privately owned and available for lease.

Today, Saskatchewan is the second largest producer of crude oil, and the third largest producer of natural gas in Canada - and the vast, untapped resources still remaining have the potential to carry the petroleum industry forward into the 21st Century.

Keystone Oilfield Supply

FULL 24 HOUR SERVICE OILFIELD SUPPLY

- ❑ Hot Shot Service
- ❑ Large Selection of Forged Steel & Standard Pipe, Valves & Fittings in Black Malleable & 31655
- ❑ Jet Tools
- ❑ Star Fibreglass Pipe
- ❑ Hydraulic Hose & Fittings
- ❑ Helly Hansen Work Wear
- ❑ Safety Supplies
- ❑ Large Selection of V-Belts
- ❑ FPP Bottom Hole Pumps
- ❑ Sucker Rods & Accessories

(306) 435-2796
102 COOK ROAD • MOOSOMIN, SK

The World-Spectator is proud to salute the oil and gas industry in our region!



Serving Saskatchewan & Manitoba

COMPREHENSIVE LAND SERVICES INCLUDING:

- Mineral Acquisition
- Surface Acquisition
- Right-of-Way Acquisition
- Damage Settlements
- Rental Reviews
- Crown Sales

*Oil & Gas Land Specialist
Mineral & Surface Acquisition
Professional Service*

BRAD LANE, PRESIDENT

2010 7th Avenue
Regina, SK, S4R 1G2
(306) 775-3415
Cell: (306) 536-6256
Fax: (306) 585-7307
E-mail: office@laneland.net

TALISMAN ENERGY

The Carlyle Operating Area encompasses the general boundaries of Manitoba border (east), Weyburn (west), Number 1 Highway (north) and US border (south). It includes the communities of Wapella, Moose Mountain Provincial Park, White Bear First Nations, Manor, Lampman, Carlyle, Arcola, Stoughton, Ocean Man First Nation, Benson, Midale, Goodwater and Weyburn.

Carlyle is a light to medium sour crude oil production area. Wells are produced by pumpjacks, P.C.P.'s and e-suubs. A few of the facilities are connected to gas sales, with the remainder flared.

The original discovery wells were drilled by Tidewater in 1952 in the Freestone and Wapella fields. Talisman has developed this area over the past few years with extensive horizontal drilling, which has proven to be very successful and has extended the life of this field.



- Screw Pilings Sales and Installs
- General Oilfield Hauling
- Skid Steer Service

Phone (306) 634-7007

Fax (306) 634-7006

Box 1595 • Estevan, SK • S4A 2L7

dartservices@sasktel.net

Davin Emmel
Cell (306) 421-1986

Marty Hanson
Cell (306) 421-5016



SALUTE — TO THE — OIL & GAS INDUSTRY



A growing industry

Dawn M. Barker photos

Signs of this area's growing oil industry are dotted around the countryside. Above: A BP Petroleum battery site located east of Arcola. Right: A pumpjack bobs up and down with the Moose Mountains in the background.



EAGLE DRILLING SERVICES LTD.

EAGLE DRILLING SERVICES LTD., locally owned and operated out of SE Saskatchewan, is pleased to announce the forthcoming of its first of three forecasted Drilling Rigs available to SE Saskatchewan and SW Manitoba.

At EAGLE DRILLING SERVICES LTD. Management has 65 years of Drilling experience.

Safety, quick rig moves and cost efficiency to the Oil Company were the key building tools used throughout the thought process of the construction of the first rig. The first rig and subsequent drilling rigs are being built with *Safety*, the *Worker* and the *Oil Company* in mind.

The first drilling rig will consist of:

- a double telescoping Mast, complete with a 14 ft step down Substructure run by a Rigmaster P-750 Drawworks, powered by a 60 Series (630HP) Detroit Diesel engine and a 6 speed Allison Transmission.
- Mudtanks with a 65 m³ holding capacity
- a pump consisting of a F-800 Triplex powered by a 60 Series (630HP) Detroit Diesel engine
- The Generator, run by a 60 Series Detroit Diesel engine, can supply up to 300KW of power and is capable of running all on site equipment.
- Watertank with a 80 m³ holding capacity
- A 10' x 28' Doghouse with extra room needed for holding Safety Meetings
- Drillstring consisting of a 3000m of 4" x-95 Drill pipe, 60 jts of 4" Heavy Weight Drill Pipe and 14-6.5" Drill Collars

- Jayco Hydraulic Catwalk for added safety during the hands off handling of drill string, directional tools and casing strings.

The first drilling rig, with the ability to drill the shallowest or deepest wells in SE Saskatchewan and SW Manitoba, will be able to drill to a 3500m Vertical depth and a 4100m Lateral depth, giving the Oil Company a full range of options.

The first rig is projected to be field ready directly after the 2004 road ban season, with the second rig forecasted to be field ready by September 1, 2005.

EAGLE DRILLING SERVICES LTD. is now accepting bookings for the 2005 – 2006 drilling season. For all bookings or inquiries, please call the number listed below or e-mail to the address listed below.

EAGLE DRILLING SERVICES LTD. looks forward to working closely with our loyal clients in the up and coming 2005 – 2006 drilling season and wishes everyone a successful drilling season.

Best Regards,
Derrick Big Eagle
President and General Manager

EAGLE DRILLING SERVICES LTD.
BOX 312
CARLYLE, SASKATCHEWAN S0C 0R0
PHONE: (306) 577-7299
E-MAIL: derrick@eagledrillingservices.ca

