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Winter 2005



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CONTENTS

4 **Message from the Chair**
2006 Drilling Activity Forecast

5 **PSAC News & Events**
New Members
Coming Events

6 **Cover Feature: PSAC Turns 25!**

- Industry Advocacy: Needed as much now as it was then
- Evolution of the "Face" of PSAC
- PSAC Timeline – The '80s
- Anniversary Celebration Activities

12 **PSAC Committee Updates**

14 **PSAC in Action**

16 **2005 Fall Conference & AGM**

18 **Index to Advertisers & Spring Preview**



Cover photo
courtesy of
NWP Industries Inc.

M E S S A G E F R O M T H E C H A I R



It is my pleasure to take on the role as PSAC Chair as the Association heads into its 25th year. As I start my term, I would like to take this opportunity to thank Barry Hodson, IPSCO Inc., PSAC's 2004-2005 Chair. Barry made a great difference and thankfully will be on the Board as Past Chair to provide his continued guidance.

During my term as Chair, there will be a number of issues of focus for PSAC. First, we will continue improving our dialogue with CAPP, CAODC and SEPAC. In this era of communication technology explosion, we sometimes forget to pick up the phone and have an "old fashioned" conversation, but often that's the best way to connect with customers, colleagues or competitors. I believe strongly that in these busy times, we also need to work hard to understand the issues each of us faces and be respectful

of each other's challenges. For example, in our sector, many companies are not yet enjoying the profitability that comes with active times. On the other hand, operators have many issues to deal with despite record commodity pricing. Land availability, land access, and shortages of equipment such as casing, line pipe and production equipment provide ongoing challenges to the producer side.

Second, we will continue to promote research and development into new technologies for enhanced production from existing reservoirs and for our industry's newer ventures, such as natural gas from coal (NGC), which will require technical expertise from our members to provide profitable production results. PSAC's advocacy for financial incentives from the Alberta Government resulted in the \$200-million Innovative Technologies Royalty Program which provides funding for companies conducting research and development. But that's only the beginning, PSAC will continue to focus on R&D going forward.


Third, we will maintain and even ramp up our efforts to find and retain skilled workers to grow our companies and the industry. We know that existing activities are already straining our supply of good people, and future projects like the Mackenzie Valley Pipeline—if and when they happen—will cause an even greater demand for skilled industry workers. As a result, PSAC will continue to work on a

number of initiatives to increase the labour pool over the next year and beyond.

Finally, we will continue our emphasis on safety, for our workers and the public.

The petroleum service sector in Canada remains one of the most competent and competitive in the world. And PSAC is extremely well equipped and financially positioned to handle the issues and challenges presented by an industry that is in one of the longest and biggest boom cycles we have seen. In this business environment, issues such as recruiting and retaining skilled labour, maintaining safety standards during high activity levels, innovating to improve production and keeping our industry profitable require strategic initiatives and proper planning. The strategic planning that PSAC undertakes serves the Association and its members well. I encourage all PSAC members to support our Association by participating on committees, attending events and staying informed by reading PSAC's newsletters, magazines and website.

In closing I would like to say "thank you" to the great staff at PSAC whose dedication, loyalty and energy have helped us reach our quarter-century milestone.


Bob Merkley
PSAC
2005-2006 Chair



2006 CANADIAN DRILLING ACTIVITY FORECAST Alberta to Reach 20,000 Wells

PSAC's 2006 Canadian Drilling Activity Forecast, released in late October, predicted another record well count for Canada, as well as a milestone record for Alberta. In 2006, PSAC expects a total of 25,290 wells drilled (rig released) across Canada, 20,000 of which will be in Alberta. This represents a six per cent increase in Alberta wells drilled, compared to the expected final tally for 2005 in the province. Canada-wide, activity levels will also increase six per cent, the result of continued strong commodity prices and a growing emphasis on natural gas from coal (NGC).

"In 2006, we're expecting about 3,500 NGC wells, mostly in Alberta," stated Roger Soucy, PSAC President. "Activity levels in the NGC areas of southeast and central Alberta will rise six to seven per cent."

For 2006, PSAC estimates 3,430 wells drilled in

Saskatchewan and 1,600 in BC. While Saskatchewan's 2006 drilling rate is flat compared to expected final well counts for 2005, BC will see an activity increase of 20 per cent in 2006. "While the total number of wells drilled in BC is relatively low compared to Alberta, activity levels in that province have been climbing over the past few years," explained Soucy. "BC is becoming a very favourable location for oil and gas activity and with the move towards southern BC for NGC, we are expecting a significant elevation in activity levels there."

PSAC is basing its 2006 Forecast on average crude oil prices of US\$60.00 barrel (WTI) and natural gas prices of Cdn\$9.50/mcf (AECO). "For most of 2005, the commodity price story was oil. Later in the year, natural gas prices rose significantly. We expect the pricing of both commodities to stay strong," said Soucy.

PSAC has revised its Forecast Area Map as of October 2005. To view or download the new map, go to www.psac.ca.

NEW MEMBERS

Regular Members

- Builder's Energy Services Trust www.buildersenergy.com
- Central Alberta Well Services Corp.
- Destiny Resource Services Partnership www.destiny-resources.com
- Iron Horse Coiled Tubing Inc. www.ihct.ca
- KMC Oiltools Canada Inc. www.kmcoiltools.com
- Leader Energy Services Ltd. www.leaderenergy.com
- Red Flame Hot Tap Services. Ltd. www.redflame.ca
- Stinger Inc. www.stingerinc.com
- Strata Completions Ltd.
- Strata Energy Services Inc. www.strataenergy.net
- Strike Energy Services Inc. www.strikeenergy.com

Associate Members

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- Microsoft Canada Co. www.microsoft.com
- Norseman Inc. www.norseman.ca

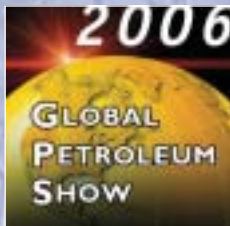
- Northern Sky Aircraft Inc.
www.northernskyaircraft.com
- Spira Data Corp. www.spiradata.com
- Tamarack Capital Advisors Inc.
www.tamarackcapital.ca

COMING EVENTS

- Safety Stand Down Week
January 9 to 15, 2006
- Benefit Gala for STARS
January 21, 2006
Round Up Centre, Stampede Park,
Calgary, AB
- PSAC Spring Conference
April 11 & 12, 2006
Capri Hotel, Red Deer, AB
- Petroleum Industry Annual Safety Seminar
May 3 to 5, 2006
Banff, AB



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PSAC TURNS 25!

Industry Advocacy: Needed as much now as it was then



BY SHELLY BRIMBLE



In 1981, a contingent of service industry representatives flew to Ottawa to lobby against the National Energy Program. That trip led to the formation of PSAC.

As PSAC celebrates its 25th anniversary, ironically our industry is operating in a political and economic climate very similar to that of the early 1980s when PSAC began. Recent high commodity prices and record activity levels in the western oilpatch have again created an environment in which many Canadians support sharing the West's petroleum sector surplus with the rest of the country.

While we may not be on the verge of another National Energy Program (NEP), people in this industry have long memories and fear any suggestion of federal control of resources. In the early 1980s, national control of oil and gas resources almost devastated the petroleum sector.

The NEP was a result of the energy

crisis of the late 1970s when oil prices were inflated by 150 per cent. The federal government wanted to gain more control over the country's energy and insisted that Alberta's oil profits be shared throughout the country. The feds pushed through the NEP despite a deadlock with Alberta and no consultation with the petroleum industry.

The NEP forced many producers to close down or significantly reduce their Canadian operations. Those that remained in business focused their attention on federal oilfield plays—including offshore—but most projects ended as they were not economically viable without subsidization. The NEP tax structure created a lack of incentive to drill in the Western Canadian Sedimentary Basin, affecting the future development of this resource for many years.

"A lot of people thought the NEP was going after 'big oil', but it was actually hitting everybody who relied on big oil," said Roger Soucy, PSAC President. "The service and supply companies had no place to go. International operations were not an option for them, so when their cash flow dried up, many of those companies perished."

Al Schreiner, President and Chief Operating Officer of Stream-Flo Industries Ltd., witnessed the effects of the NEP first-hand. "The NEP devastated the service sector. Oil and gas companies stopped drilling and the service and supply companies took the brunt of the impact. A lot of service and supply companies went into receivership as a result."

Schreiner added that in fact two shockwaves rippled through the Canadian oil and gas industry in the early 80s: the NEP, followed by the oil pricing slump in 1986. "Service and supply companies that did not have any debt were able to ride out the storm. Others took advantage of the times to do acquisitions," Schreiner said.

Continued on page 9

PSAC TIMELINE ~ THE '80s

The next four issues of *On Stream* will highlight PSAC's accomplishments—and some memorable industry and world events—over the past 25 years. In this issue, we feature the '80s:

PSAC HIGHLIGHTS

INDUSTRY AND WORLD EVENTS

<p>1981</p>	<ul style="list-style-type: none"> • Scores of petroleum services industry representatives travel to Ottawa to protest the National Energy Program (NEP), instituted in October 1980 • Lobbying trip helps lead to the incorporation of PSAC as an association to support the industry's battle to change the NEP 	<ul style="list-style-type: none"> • Alberta's drilling and real estate booms end after suffering financial impact of Canada's NEP • Canada creates its own constitution • Terry Fox runs Marathon of Hope • IBM and Commodore launch first PCs
<p>1982</p>	<ul style="list-style-type: none"> • PSAC lobbies for Alberta incentive programs, like the Oil & Gas Activity Program introduced as a follow-up to the 1981 Energy Agreement, as a short-term aid to the devastated petroleum services industry 	<ul style="list-style-type: none"> • Worst recession since the Depression begins • Diet Coke is introduced • Mysterious disease is labelled Acquired Immune Deficiency Syndrome (AIDS)
<p>1983</p>	<ul style="list-style-type: none"> • PSAC holds a series of 15 meetings with senior federal government officials to introduce them to the petroleum services industry • PSAC lobbies Alberta Workers' Compensation Board, resulting in \$300,000 immediate savings to petroleum services category 	<ul style="list-style-type: none"> • Energeum opens in Calgary as Canada's first energy museum • Sally Ride becomes first U.S. woman astronaut on space shuttle Challenger
<p>1984</p>	<ul style="list-style-type: none"> • PSAC negotiates significant Alberta Workers' Compensation Board rate reduction for members, resulting in \$2.1 million in savings • PSAC enters into an agreement with the federal Department of Employment and Immigration to facilitate the sharing of statistical information regarding the services industry 	<ul style="list-style-type: none"> • Terra Nova and White Rose oil fields are discovered off Canada's east coast • Marc Garneau is first Canadian in space • Space shuttle Challenger explodes shortly after takeoff, killing all seven crew members • Apple Macintosh debuts
<p>1985</p>	<ul style="list-style-type: none"> • PSAC celebrates the Western Accord, an energy pricing and taxation agreement between the Government of Canada and the producing provinces, which signals a return to free markets for the petroleum industry and an end to the NEP • PSAC merges with the Canadian Oilfield Manufacturers Association (COMA) 	<ul style="list-style-type: none"> • Oil Sands Interpretive Centre opens in Fort McMurray • Inter-provincial light crude oil pipeline from Norman Wells to Alberta is the first permanent, buried pipeline in the Canadian Arctic
<p>1986</p>	<ul style="list-style-type: none"> • PSAC gains major victory with Canada Customs and Excise by lobbying federal MPs, resulting in estimated tariff savings of \$5 million for member companies importing pressure maintenance and improving equipment • PSAC develops Transportation of Dangerous Goods Program, including trainer manuals and specialized shipping documents • PSAC becomes official endorser of the National Petroleum Show 	<ul style="list-style-type: none"> • OPEC crumbles; oil prices collapse by 50% to US\$10/barrel; 50,000 jobs are lost in Alberta • Caroline, AB natural gas field is discovered • Most popular bumper sticker in Alberta reads: "Please God, give us another oil boom. I promise not to piss it away this time!"

COVER FEATURE

PSAC TIMELINE ~ THE '80s cont'd

PSAC HIGHLIGHTS		INDUSTRY AND WORLD EVENTS
1987	<ul style="list-style-type: none"> • PSAC makes Minimum Standard Insurance Program a criteria for membership in PSAC • PSAC accepts a position on the Board of the Petroleum Industry Training Service (now Enform) 	<ul style="list-style-type: none"> • Black Monday lands on Wall Street as the stock market drops a record 508 points (22.6%)
1988	<ul style="list-style-type: none"> • PSAC introduces a Membership Agreement and "Silver Seal" program 	<ul style="list-style-type: none"> • XV Winter Olympic Games are held in Calgary
1989	<ul style="list-style-type: none"> • PSAC has custom tariff rates restored to Free Harmonized System rates for fishing tools, electrical power sources, electrical actuators and other parts used in wells and rigs • PSAC releases position paper "Fundamentals of a Policy for Conventional Oil and Gas," designed to address the effects of government policies and incentives on the services industry 	<ul style="list-style-type: none"> • Exxon Valdez runs aground in Prince William Sound in Alaska • First free elections are held in USSR • Tanks enter Tiananmen Square in Beijing to stop pro-democracy protests; thousands of students are killed • Berlin Wall is torn down after 28 years

Anniversary Celebration Activities

PSAC is celebrating its silver anniversary in many exciting ways! Check out:



One-minute multimedia show: This lively presentation features photos and graphics that tell PSAC's story in just one minute. The presentation was launched at PSAC's AGM in October 2005 and will be shown at events throughout 2006. Watch it today at www.psc.ca!

2006 Wall Calendar: A beautiful wall calendar, featuring dramatic shots of the petroleum industry, was released in October at the Fall Conference and AGM. Every Regular and Associate member representative received a copy at the event or by mail. If your company would like additional copies, they are available for just \$10 each, while supplies last! All proceeds from the sale of the calendars go towards the PSAC Education Fund. To place your order, go to www.psc.ca, call PSAC at (403) 264-4195 or email info@psc.ca.

Revised designs for all printed and electronic materials: PSAC's letterhead, newsletters, brochures, invitations, faxes, memos, member certificates, ads and presentations have been redesigned to accommodate our 25th anniversary logo and theme.

Revised and expanded website: The design and content of the PSAC website is also being updated. The new logo will be featured in a refreshed design, and a special anniversary section will host the multimedia, anniversary logo, PSAC history and more! Check it out at www.psc.ca starting in the new year.

COVER FEATURE

Continued from page 6

When the NEP was launched, the service and supply sector was represented as a division of the Canadian Association of Oilwell Drilling Contractors (CAODC). After seeing the devastation the NEP was unleashing on their sector, a contingent of representatives of the petroleum service and supply industry flew to Ottawa to explain to the government how the NEP was destroying their businesses. Soon after that airplane full of sector representatives returned from their lobbying trip to Ottawa, a new association—PSAC—was formed to speak for them.

“That trip to Ottawa was an attempt by the service industry to increase its profile and make the feds aware that the industry was being impacted well beyond the oil and gas companies themselves,” Soucy added. “After they got back from Ottawa, the sector representatives saw great value in having their own association.” In its initial years, PSAC’s focused its efforts on lobbying the federal government against the NEP.

The impact of the NEP was felt for almost a decade in overall industry employment numbers. Unemployment rates in Alberta climbed from 3.9 per cent in 1981 to a peak of 11.3 per cent in 1984. Prior to 1980, before the NEP, there were about 30,000 people employed in the service industry (not including drillers and seismic). “After the NEP and the recession that followed, only 15,000 employees remained. In the early 1990s when prices finally rebounded, employment jumped to 20,000,” said Soucy. By that time, technological developments in horizontal and directional drilling enabled the drilling process to be completed with less people. “It was not until 1997 that we saw the same number of people employed as in the early 1980s, but by then we were drilling twice the number of wells,” he added.

Despite the lessons learned from the NEP, recent surges in gasoline prices have led to musings about another NEP-style

Evolution of the “Face” of PSAC

Over 25 years, everyone’s face changes and the face of PSAC is no different. PSAC’s logo has evolved three times since 1981, to reflect the changing industry, business environment and design trends. The 2006 anniversary logo features a clean, energized look, leading the Association and its members into the next quarter century.



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COVER FEATURE

fiscal program. But this time, said Greg Stringham, Vice President, Markets and Fiscal Policy at the Canadian Association of Petroleum Producers (CAPP), federal interference with the petroleum industry would have a resounding impact on Canadian operations. "This is a global community. Companies would spread their wings and go to other countries," he said. Still, according to a recent poll, the majority of national public opinion states that the government of Alberta should share its petroleum windfall throughout the nation.


The truth is, Alberta does share. Schreiner explained, "We need to tell Canadians how much money we send to the rest of the country. We need to continue to tell the story because we don't tell it enough."

In 2004, Albertans sent almost \$26 billion to Ottawa for taxes, \$9.3 billion more than the province received in federal spending. This equates to a net contribution of over \$2,900 per Albertan last year alone. Over the past decade, Alberta's net contribution to Canada has exceeded \$62 billion.

CAPP reports that the industry paid about \$20 billion to the federal and provincial governments last year for income taxes and royalties. The sector currently employs about 500,000 people, including direct and indirect employees. While most of these people live and work in Alberta, they all pay federal taxes too.

And although Alberta remains the epicenter of petroleum production, currently 12 of Canada's 13 provinces and

territories have active exploration or production of oil and gas. Clearly replicating the NEP in this decade would be impossible, but that doesn't stop those outside our industry from wanting a bigger piece of the petroleum pie.

That's why PSAC continues to conduct lobbying campaigns on this and other issues on behalf of its members across Canada. Today, a quarter century after the Association's inception, PSAC's 260+ member companies rely on their association as much as they did in 1981, to be the recognized voice of the petroleum service, supply and manufacturing industry. Soucy summarized: "Twenty-five years after we launched PSAC, there is still a need for organizations like PSAC to defend the interests of our industry." 




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PSAC COMMITTEE UPDATES

STANDING COMMITTEES

Corporate Finance

Over the past months, this committee has been working on the Saskatchewan tax issue, R&D tax credits and the Master Service Agreement implementation. In addition, committee members have heard presentations on investment company financing and the impacts of the federal budget.

Education Fund

The Education Fund committee has been discussing important changes to the school grant and individual scholarship programs for 2006. Updated rules and applications forms will be posted on the PSAC website by January 2006. The deadline for applications is April 28, 2006.

Environmental

In the absence of any progress on the revised draft of EUB Guide 50: Drilling Waste Management, members of this committee have turned their attention to potential projects with CAPP related to water management strategies and the development of competency standards for certain occupations. The work with Alberta Municipal Affairs on Temporary Work Camp Sewage Treatment Standards slowed over the summer, but members will continue to participate in this project.

Health & Safety

Work continues on the review of IRP #9: Basic Safety Program. PSAC is also represented on the committees developing the following IRPs: IRP #7: Wellsite Supervision; IRP #18: Explosive Atmospheres in Vessels, Tanks and Piping Systems; IRP #20: Wellsite Spacing; IRP #23: Lease Lighting Standards; and IRP #24: Minimum First Aid Training for the Upstream Petroleum Industry. The committee has been working with Alberta WH&S on changes to the wording of Section 752 of the OH&S Code dealing with requirements for breathing equipment. The proposed new wording will change the requirement to performance-based rather than specification-based. The committee is still dealing with the issue of worker fatigue.

Human Resources

Members of this committee are focusing their attention on efforts to address their number one issue: the skilled labour shortage. To this end, they are lobbying provincial and federal governments on changes to facilitate the immigration process and planning joint career fairs across targeted regions of Canada. Members are also providing feedback in Alberta's review of the Employment Standards Act and will again propose changes to BC on their Act. Planning continues on various one-day seminars and for the Human Capital Stream of PSAC's Spring Conference.

Special Events (Education Fund Golf Classic)

In 2005, the committee's Education Fund Golf Classic tournament raised over \$37,000 for the Education Fund. Committee members have already begun working on the 2006 PSAC Education Fund Golf Classic, to be held July 20, 2006. The event's activities will include golf, silent auction, raffles, draws and prizes. The committee is also soliciting corporate donations to raise revenue in 2006.

Transportation Issues

It now appears that the new Commercial Vehicle Drivers Hours of Service Standard will not come into effect until sometime in early 2007. Work on development of a Best Practice to deal with issues related to oilfield transportation and the North American Cargo Securement Standard continues. A workshop was held in October, with regulators from the western provinces in attendance. The workshop resulted in a first draft of the Best Practice that should be available for review by the PSAC membership by the end of 2005. At the PSAC Pre-Drilling Season meeting in Fort St. John in early October, the BC WCB and RCMP detachments in northeastern BC again expressed serious concerns about the driving habits on industry workers using roads in the area. There continues to be a lack of compliance with posted speed limits, traffic signs and seat belt laws by oil and gas workers. Drinking and the use of other drugs continue to be an issue in investigations conducted into the causes of motor vehicle incidents.

SECTORIAL COMMITTEES

Drilling Fluids

This committee has decided to postpone meeting until the final draft of EUB Guide 50: Drilling Waste Management is released, due to frustration over the long delay. The draft was originally expected in spring 2004;

no new date for its release has yet been given. In the meantime, an "historic" mud list or database has been created and is currently being added to on a regular basis. This database is designed to assist producers who are required to conduct site assessments on wells drilled over the last 30 years to determine the composition of products no longer on the market. The historic mud list is available on the PSAC website.

SECTORIAL COMMITTEES

Oilwell Perforators' Safety Training & Advisory

The committee continues to work with Natural Resources Canada (NR-Can) on issues related to factory licenses for the assembly of the perforating guns, and the environmental and hazard assessments required for submission with applications for these licenses. PSAC members offering perforating services to the industry are continuing to encounter the "NIMBY" syndrome when applying for municipal permits to locate magazine storage facilities. The Perforating Industry Code of Practice has been revised and should be available to members early in 2006. The Canadian Nuclear Safety Commission is making changes to the regulations for the security of nuclear substances and the committee will be reviewing these changes with the PSAC membership.

Open Hole Wireline

Members of this committee are collaborating with CAPP members to begin discussions for a standard format for the electronic submission of well logs to the Alberta Energy & Utilities Board (EUB), as the EUB is now considering such a change. Recent meetings have also provided a forum on topics of interest to members such as the Master Service Agreement.

Snubbing Services

A rewrite of IRP #15: Snubbing Operations is currently underway through the Drilling & Completions Committee (DACC) in which industry associations and regulators participate. Standards of competence for six snubbing occupations have been completed and are currently being circulated for industry validation. These standards should be

ready for companies to begin implementation in January 2006. In response to industry concerns regarding safe snubbing operations, a Pre-job Safety Meeting Report and Hazard Assessment Checklist was created by this committee in spring 2005. This checklist is now in wide usage and has become the industry standard for pre-job safety sign-off and hazard assessments. Also in response to negative and unfair publicity over two recent incidents, a public relations taskforce was formed. Articles have been published in *Oil & Gas Inquirer*, *On Stream*, *Roughneck*, *Wildcatter*, *Oilweek* and *Oil & Gas Network*.

Well Testing

Members of this committee continue to work on the final three levels of the Well Testing Training Program being developed in collaboration with SAIT. To date, 47 students have registered for the first three levels of the course. Full details of the program can be found on the PSAC website under What's New. Member companies with assessors under the Petroleum Competency Program for Well Testing are currently finalizing an Assessors' Toolkit developed to assist new assessors in this process. The committee has also begun a preliminary review of IRP #4: Well Testing prior to the formal DACC review and is participating in the development of IRP #18: Explosive Atmospheres in Vessels, Tanks and Piping Systems. Meetings provide a forum for discussing current issues and hosting speakers on relevant topics. Most recently, Dave Fennell of Imperial Oil gave a well-received presentation on "Detecting Flammable Environments".

For more information on PSAC's committees and staff contacts, go to: www.pfac.ca/about_pfac/

Congratulations to Roger Soucy, Elizabeth Aquin and the fine staff at PSAC for a quarter-century of untiring efforts benefiting Canada's oil and gas services and manufacturing companies.

We are proud to be a 25 year Charter member.



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PSAC IN ACTION

Career Fairs

To help PSAC member companies recruit new employees, PSAC is planning a series of members-only career fairs, to be held in targeted locations across Canada. The fairs will take place throughout 2006, focusing on Ontario, Saskatchewan and BC.



BC Joint Petroleum Industry Day

In November, PSAC, along with six other industry associations, travelled to Victoria to update BC Ministers, MLAs and Ministry staff about petroleum operations in that province.

The Premier and Minister of Energy were in attendance, along with several other Ministers and MLAs.

Enform: New Industry Training and Safety Organization

In September 2005, the Petroleum Industry Training Service (PITS) and the Canadian Petroleum Safety Council (CPSC), both recognized for leadership in the areas of training, certification and health and safety services in the oilpatch,

combined resources, talents and expertise to form a new organization—Enform. PSAC, long involved with both PITS and CPSC, will continue to play an active role in the new organization.

Well Testing Assessor's Toolkit

PSAC and its Well Testing Committee have developed an Assessor's Toolkit used to assess new candidates under the Petroleum Competency Program. Well Testing Assessors starting new assessments will receive a copy of the Toolkit from Enform. Having already received praise from those who attended the Assessor's training course in October, the Toolkit has been credited with providing a readily available reference for the interview questions and documentation necessary to complete Competency Assessments.



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2005 FALL CONFERENCE & AGM

PSAC's second annual Fall Conference offered delegates insights into a range of critical issues facing the petroleum services industry. The two-day conference kicked off with sessions on corporate ethics and Canada's "Sarbanes-Oxley" rules, both extremely topical issues.

That same morning, PSAC held its Canadian Drilling Activity Forecast press conference, at which the Association released its final 2005 forecast numbers, as well as predictions for activity in 2006. Roger Soucy, PSAC President, announced: "We're expecting yet another record year, which would be the fourth year in a row with record activity." The PSAC Forecast was covered by newspaper, magazine, radio and television media across Canada.

To wrap up the morning, Roger Soucy, Bob Merkley, PSAC's 2005-2006 Chair, and Brian Davison, PSAC's lawyer, updated delegates about the PSAC Master Service Agreement (MSA). In the presentation, Davison explained the importance of the MSA in protecting service companies and Merkley strongly encouraged all PSAC members to begin using the MSA in their contract negotiations. "If we all keep insisting on using the PSAC MSA instead of any other contract we are sent, eventually our customers will come to recognize this document as the standard contract for our industry," stated Merkley.

On Wednesday afternoon, PSAC held its 24th Annual General Meeting (AGM). At the meeting, Distinguished Service and Long Standing Member Awards were announced, retiring Directors were recognized and the 2005 Chairman's Award was presented to Mark Irvine, Import Tool Corporation.

Roger Soucy (left) thanks retiring directors Murray Cobbe (centre) and Victor Lapointe for their many years of service on the PSAC Board.



On hand to receive their Distinguished Service Award were: (standing left to right) Glen Cinnamon, Tim Fesik, Jace Olson, Dave Fennell and Brian Doell, along with (seated left to right) Bev Beaton, Victor Lapointe (retiring director), Cherene Schiller and Mark Irvine.



2004-2005

Distinguished Service Award recipients

- Karl Bauer, Snubco Pressure Control Ltd.
- Bev Beaton, BJ Services Company Canada
- Glenn Berry, Lonkar Well Testing Ltd.
- Bob Brownlee, Calfrac Well Services Ltd.
- Glen Cinnamon, Canamara United Supply Limited
- Annastacia Clarke, Baker Hughes Canada Company
- Dan Clements, Integrated Production Services Ltd.
- Brian Coston, Canamara United Supply Limited
- Scott Dancey, Pure Energy Services Ltd.
- Mandy Dewart, Schlumberger—Oilfield Services
- Brian Doell, JuneWarren Publishing Ltd.
- Harold Drok, Heck's Trucking Oilfield Hauling Ltd.
- Dave Fennell, Imperial Oil Resources
- Tim Fesik, Norseman Inc.
- Jim Harrigan, High Arctic Energy Services Inc.
- Bob Henderson, Nabors Canada
- Robert Hug, Piston Well Services Inc.
- Lorne Hyvonen, Precision Energy Services
- Ed Klein, Lonkar Well Testing Ltd.
- Robert Knowles, Precision Drilling Corporation
- Jeff Levack, Tucker Wireline Services Canada Inc.
- Al MacDonald, Snubco Pressure Control Ltd.
- Matt MacLean, Live Well Service, a Division of Precision Limited Partnership
- Craig Marshall, Opsco Energy Industries Limited
- Jace Olson, Sanjel Corporation
- Steve Redmond, Trican Well Service Ltd.
- Cherene Schiller, Hallmark Tubulars Ltd.
- Bill Thomas, Live Well Service, a Division of Precision Limited Partnership


Also at the AGM, changes to the By-laws were approved and PSAC's 25th anniversary logo was launched with an exciting one-minute multimedia presentation. The AGM was the last official responsibility of Barry Hodson, PSAC's 2004-2005 Chair. Bob Merkley, President, Newpark Drilling Fluids, is PSAC's 2005-2006 Chair.

Following the AGM, PSAC held its annual and ever-popular Forecast & Industry Outlook session. Five presenters provided a forecast based on their statistics and insight. Presenters included: Andrew Boland, Peters & Co., Roger Serin, TD Newcrest, David Daly, CAPP and Roger Soucy, PSAC. This year for the first time, the session included an update on natural gas from coal (NGC) activity, provided by Michael Gatens, MGV Energy.

At the end of the day, everyone was ready for some networking. The reception area was packed as dinner guests socialized after a full day of information. After guests were seated, keynote speaker Tod Maffin entertained the crowd with hilarious and thought-provoking stories.

Thursday sessions were divided into two main streams: R&D Updates and Safety Innovations, and Hard Facts About "Soft" Business Issues. The R&D Updates sessions covered load levelling, EnergyINet, the federal Scientific Research and Experimental Development (SR&ED) program and Alberta's Innovative Technologies Royalty Program. In the Safety Innovations sessions, delegates learned how to achieve workplace safety results with behaviour based safety programs, and were introduced to a new industry-standard contractor safety questionnaire.

The "soft" business issues included leadership development, knowledge management, privacy and communication. Thursday wrapped up with an update on the labour shortage, which emphasized how a lack of skilled workers will affect our industry well into the future.

To end the conference on a high note, a draw was held for those delegates who completed a conference evaluation form. A very pleased Ian Elliott, Canadian HSE Registry, went home that day with \$200 cash. 



Roger Soucy (left) and Barry Hodson, PSAC's 2004-2005 Chair (right) congratulate Mark Irvine, who was awarded the 2005 Chairman's Award for outstanding service to PSAC and its members.



Andrew Boland, Peters & Co., (left) and Roger Serin, TD Newcrest, were two of the five presenters in this year's Forecast and Industry Outlook session.



At the annual dinner, Bob Merkley, PSAC's 2005-2006 Chair (right), thanked outgoing Chair Barry Hodson for his contributions over the past year.



Reporters from print and electronic media peppered Barry Hodson (left), Roger Soucy (centre) and Bob Merkley with questions about the activity forecast for 2006.



Technology trends guru Tod Maffin had the dinner audience laughing with his tales of techno mishaps, but left everyone with a strong message about how to lead a healthy, low-tech life.

INDEX TO ADVERTISERS

AON	18
CCOHS	9
Central Production Testing Ltd.	10
DMG Media	5
EnForm	14
GE Commercial Finance	11

Globalstar Canada	2
Import Tool Corporation Ltd.	13
Katch Kan Ltd.	18
Ledcor Industries Limited	18
Lonkar Services Ltd.	14
Nabors Canada	20
National Oilwell Canada Ltd.	19
Thermadyne Welding Products	15

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SPRING 2006 PREVIEW

By the time the tulips pop up, PSAC will be well into its silver anniversary year. Our spring issue will feature more anniversary highlights, showcasing PSAC and its members past, present and future.

Plus our 2006 Spring Conference program, review of the Benefit Gala for STARS and more! Watch for our spring issue in March.

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Technology – study of mechanical arts and applied sciences applications in industry

Experience – practice in doing something

Excellence – outstanding merit or quality



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