

Hon. Richard Neufeld, Minister of Energy, Mines and Petroleum Resources
2006 B.C. Oil and Gas Conference, Dawson Creek
October 5, 2006

Good evening your worships, chiefs, councillors, ladies and gentlemen. It's certainly a pleasure for me to be here tonight to close off what has, I understand and have witnessed to be, a great conference.

Dawson Creek, your worship, really knows how to put it on. You've done a great job and you have great people in charge. It's good to have those kinds of people making decisions when you have to do something as big as this.

It's all about partnerships. The Premier was here to open the conference here in Dawson Creek, and I think it was the first time a Premier has opened an oil and gas conference.

I think that speaks clearly about our government and what the Premier thinks about Northeastern British Columbia. We certainly don't have to tell him about the benefits of Northeastern British Columbia, what it does for British Columbia, what it does for employment what it does for the bottom line, what it does for economic development. It's great, he knows it, and it was a pleasure for him to be here and he thanks you for inviting him to be part of it.

I know you've probably listened to lots of people over the past couple of days, about what's happening. So I'll keep my remarks relatively short tonight. I understand a comedian is going to come on and I don't want to leave him with too many lines so that he can poke fun at me.

And we have a gentleman who I think everybody knows in the Peace River Country, Mike Causic, who will come up and do an auction.

So I want to tell you a little story about Mike and his auctioneering. He said to me one time, I'm heading up to Fort Nelson to do some auctioneering, why don't you come up with me. So I said, why not. I haven't got anything to do tonight. So we got into a helicopter and go to the auction. Lo and behold, I was sitting there quietly talking to someone and next thing I knew someone said they were auctioning three wiener pigs. I didn't even know it. I was sitting there talking to my friends and my hands went up and the next thing I know a lady tapped me on the shoulder and told me I just bought three wiener pigs. So I know Mike and I know how he does his auctioneering, so keep your hands in your pockets or he'll have you betting on that fridge.

You know folks, the oil and gas industry has certainly taken off in Northeastern British Columbia. Not only in Dawson Creek but all over Northeastern British Columbia. Our government wants to take oil and gas out further across British Columbia, and we know we can do that, we know we can depend on the companies that are here, and the people that are here, those who are sponsoring the development in the rest of the province. There

are huge opportunities south of us here, around Williams Lake, Quesnel, the Nechako Basin. There are huge opportunities offshore that we want to work on to get offshore happening. But you know it all takes partnerships, it all takes working with the community. If you don't have partnerships and if you don't have agreements with people then you're not going to get the job done. That's how we move forward in the Province of British Columbia, to get partnerships, with industry, partnerships with First Nations, with communities, with the service sector, to build a larger and more prosperous oil and gas industry in Northeastern British Columbia.

I will say thank you to each and every one of you for taking part in that. I know when we first started up and were first elected and put out the Energy Plan, there was some scepticism about what we were doing. That was in the Fall of 2002. It is now the Fall of 2006, four years later, and look at what's happened. Oil and gas is now the largest contributor to the bottom line in British Columbia, providing almost ten per cent of the total revenue. Industry investment is up by 170 percent from when we took office and released that Energy Plan. CNRL and the other companies are going to invest somewhere around \$4.5 to \$5 billion this year. They've been doing that consistently and when you think about that much money it's a lot of opportunity for a lot of people.

The number of wells has increased by more than 85 per cent. This year, we are anticipating about 1,600 new wells in British Columbia. That's a huge increase. We had the largest dollar land sale in Canada until somebody spent a lot of money in the oilsands, but it was the largest in Canada, but we've just reached the second largest that we've ever had in British Columbia, in fact, we'll surpass last year's dollar land sales just shortly, with next month's sale, and that's good news for the British Columbia. In fact, these sales receive more per hectare than in any other jurisdiction in Canada. This last sale was more than \$2,300 per hectare. That means the industry is interested, the industry is here working, and the service sector is getting the best out of that and so is the community.

We have tried to work very hard with the community to help them develop the challenges they face. And I'm proud that we were able to, with the community, come to an agreement a couple of years ago, with an MOU that will provide for \$400 million, for the terms of the agreement, just over \$20 million per year, and that amount will grow from oil and gas sector royalties to help communities such as Dawson Creek, Fort St. John, Fort Nelson, all those communities, Chetwynd, Hudsons Hope, to cope with the growing pains they experience from this industry here in the Northeast. We've also experience a lot of labour shortages. Again, another partnership. I went to the Ministry of Advanced Education and said I need some money to pay the bills for more facilities to train people. I was able to get \$6 million. But in today's world, \$6 million doesn't go very far when you are talking about building facilities for training. I went to the industry. In fact, they were getting tired of me at the doorstep. And the industry came through with over \$6 million to partner with government. Thank you to industry for having the vision, the thought, to invest in the training facilities we have in Northeastern British Columbia. It will go a long way to meet the labour shortage we are now experiencing.

We talked a bit about the seminars taking place around British Columbia. They've been very successful. We've working on that with industry, with the service sector, with advanced education, to put those together. We tried it as a pilot project a number of years ago and now it's a regular thing that happens once per year. In fact we just finished one for mining where we went around to about 15 different communities. We're doing one with oil and gas is doing now, and from what I understand, has been very successful. We want to continue them.

The environment is very important. Our Premier demands that we do it the best way we possibly can. And we're working with industry and the people of Northeastern British Columbia to make sure we meet that goal.

The Oil and Gas Commission has the responsibility for regulating the industry but it is government's responsibility to put those regulations in place. And I believe they have been doing a very good job in accomplishing that. We all want to see (inaudible) for our children when they grow up, and our children's children. I don't have any grandchildren yet but I expect one day I will, but I have children who live here and I want to leave for them exactly what I experienced through my life.

The service sector was also something we worked very hard on to make sure that the companies in Calgary knew that there was a service sector in Northeastern British Columbia. That there were entrepreneurs, that there were people who wanted to invest, that there were people who had the ability to do the job. Just give them a chance.

And you know, industry is very good at that, but it has taken a lot of work, and it continues to take work. Will that job ever be done? No it won't. We'll have to continue to be in those places where those head offices are telling those head office people what we can actually do.

So, success through partnerships is the only way that we can make these things work. We know that and you know that. And we want to continue that partnership with communities and First Nations, with the industry and the service sector, so we can continue to benefit the way we have from this great industry. It employs a lot of people and creates a large amount of wealth in this part of the province. We're fortunate, when I think about it, when I travel to other places, with what we have. Sometimes we look past that. All of us, maybe we criticize sometimes. We have to step back, all of us, and just smell the roses a little bit, and remember that there are other places in the country that aren't doing nearly as well as we are.

So I know we want to get on with hearing from our comedian. He's been writing notes all night and it's interesting, he's sending post cards, and I asked him what he was doing. He said he was putting out post cards and don't I do that. I said no, mine just get ripped up and thrown on the Post Office floor so I don't do that anymore.

But it will be good to hear what Glen Foster has to say and also Mike Causic, when he starts raising money for the bridge we saw on the screen. I think Calvin will be a bit surprised when Mike actually pays for that.

So thank you very much. I know that the people who put this conference on worked hard, and they worked hard together with a lot of different people, and it doesn't happen without that partnership. My Ministry and the Oil and Gas Commission are well represented here. And that's been that way from the start. I'm fortunate also in my Ministry to have a lot of good people. That work tirelessly, tirelessly to make sure things work well for the industry, that things work well for the people and that things work well for the province.

So thank you very much for attending, for registering, and I look forward to a little bit of fun later on. Thank you very much.

— 30 —