

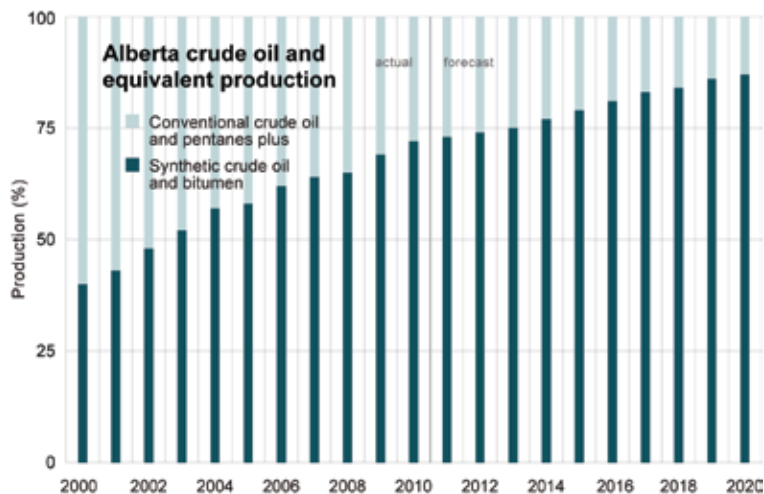
## SEE YOU AFTER THE SUMMER

Across the Board will be taking a break in July and August, but will begin publishing again in September.

June 2011

## Conventional crude drilling rises: report

The ERCB in June released Alberta's Reserves 2010 and Supply/Demand Outlook 2011-2020, a source of information on the state of reserves and the supply and demand outlook for the province's diverse energy resources.



ERCB pipeline expert Tom Pesta wins national award. Read the whole story on page 2.

The report revealed that, in 2010, Alberta's conventional crude oil production averaged 459 thousand barrels (73 thousand cubic metres (m<sup>3</sup>)) of oil per day with a yearly total of 168 million barrels (26.6 million m<sup>3</sup>), almost flat versus 2009 for the first time in years. Industry drilled over twice as many conventional crude wells in 2010 compared to 2009, with high oil prices and advances in drilling and completion technological cited as the main reasons for the spike.

Although the number of natural gas connections fell by 19 per cent in 2010 relative to 2009, economics and technology also played a role to encourage an increase in connections in areas of the province containing liquids rich gas, as gas pools rich in natural gas liquids are priced relative to crude oil.

Nevertheless, these developments must

be put in perspective, noted Carol Crowfoot, the ERCB's Chief Economist and ST98 coordinator, as the trend clearly shows the oil sands will continue to dominate Alberta's energy-production for years to come.

"The growth in oil sands production—and it's really the in situ production—still dwarfs conventional crude oil and we don't foresee that changing," Crowfoot said.

Alberta produced 1.6 million barrels (256.3 thousand m<sup>3</sup>) per day of raw crude bitumen from the oil sands in 2010, or a total of 589 million barrels (93.5 million m<sup>3</sup>). This represents an eight per cent increase over Alberta's 2009 oil sands production.

The ERCB also forecasts Alberta's annual raw crude bitumen production will total 3.5 million barrels (549.6

## ABOUT THE ERCB

The Energy Resources Conservation Board (ERCB) is an independent, quasi-judicial agency of the Government of Alberta. We regulate the safe, responsible, and efficient development of Alberta's energy resources: oil, natural gas, oil sands, coal, and pipelines.

*(continued on page 3)*

## RECENT ERCB PUBLICATIONS

### DECISIONS

**June 16, 2011:** Decision 2011 ABERCB 018: Primrose drilling ventures LTD. - Section 39 review of well licence no. 0405699 - Wildwood Field - Proceeding no. 1680101

**May 31, 2011:** Decision 2011 ABERCB 017: Crocotta Energy Inc. Application for Special Gas Well Spacing - Edson Field

**May 31, 2011:** Decision 2011 ABERCB 016: Taqa North Ltd. Application for Good Production Practice - Huxley Field

**May 17, 2011:** Decision 2011 ABERCB 011: Canadian Forest Oil Ltd. Section 39 Review of Disposal Approval - Provost Field

### BULLETINS

**June 9, 2011:** Bulletin 2011-17: Additional Electronic Application Submission Types

**June 7, 2011:** Bulletin 2011-16: Mandatory Electronic Audit Submissions-Facilities Applications

**May 31, 2011:** Bulletin 2011-15: 2011 ERCB Administration Fees (Industry Levy)

**April 18, 2011:** Bulletin 2011-13: Coalbed Methane Control Well Zone Revisions

**April 18, 2011:** Bulletin 2011-12: Revised Edition of Directive 017: Measurement Requirements for Oil and Gas Operations Issued

### DIRECTIVES

**April 18, 2011:** Directive 050: Drilling Waste Management

**April 18, 2011:** Directive 017: Measurement Requirements for Oil and Gas Operations

## ERCB pipeline expert receives CSA Award of Merit

One of the ERCB's own has won a prestigious award for his involvement in developing national and international pipeline standards.

In 1986, Tom Pesta was asked to represent the ERCB in the Canadian Standards Association (CSA). Now 25 years later, Pesta has been honored for his contribution with an Award of Merit from the CSA, which he received in June at the organization's annual event in Victoria, B.C.

Pesta, Advisor – Pipelines in the Technical Operations Group, began working with the CSA on the organization's Pressure Testing Task Force, and has since been involved in various other committees, including Operations and Systems Integrity, Aluminum Pipeline Systems, and Design. Eventually he moved to the Technical Committee, which he currently chairs.

The Award of Merit is presented to individuals who have demonstrated leadership in developing Canadian voluntary standards and who, through technical, administrative, or special standards activities, have advanced the purpose of the CSA.

"To be recognized for advancing standards to the degree it deserves an award is an honor," said Pesta.

Originally from Czechoslovakia, Pesta immigrated to Calgary with his parents and brother in 1969, just before the Czech border was closed. "We went on vacation and didn't come back."

As a result, he and his family were able to make a better life in Calgary. Tom graduated from the University of Calgary with a degree in engineering under his belt and went to work in industry before settling at the ERCB in 1985.

Pesta said that the CSA award deserves to be shared with the ERCB as a whole for making it possible to participate in the CSA and provided him with guidance and mentoring.

Furthermore, the ERCB is known for its contribution to the CSA by providing technical experts on topics related to the oil and gas industry. Pesta said having this direct hand in articulating the issues the Alberta industry faces is important because it ultimately benefits the ERCB. By being involved and ensuring that pipeline standards are current, the ERCB can defer to CSA standards.

The CSA was founded in 1919 as the first standards writing organization in Canada. Today the CSA serves business, industry, government and consumers in Canada and abroad.

## Conventional crude drilling rises: report *(continued from page 1)*

thousand m<sup>3</sup>) per day for a total of 1.3 billion barrels (201 million m<sup>3</sup>) per year by 2020.

Alberta's total remaining established crude bitumen and crude oil reserves totaled 170.8 billion barrels (27.1 billion m<sup>3</sup>), consisting of 169.3 billion barrels (26.9 billion m<sup>3</sup>) of crude bitumen and 1.5 billion barrels (237 million m<sup>3</sup>) of crude oil.

Remaining established marketable conventional gas reserves stood at 36.4 trillion cubic feet (1025.1 billion m<sup>3</sup>) last year, while remaining established coalbed methane gas reserves were 2.4 trillion cubic feet (67.6 billion m<sup>3</sup>).

Alberta's remaining established coal reserves are estimated at 37 billion tons (33 billion tonnes).

The Board has been publishing a reserves document for decades. The current form—which also includes the supply and demand picture—has been in place since 2001. ST98 details the appraisal of the Alberta's energy resources—bitumen, conventional crude oil, natural gas and associated liquids, sulphur, and coal—as well as the markets those resources are shipped to.

Publishing the report fulfills obligations spelled out in the Government of Alberta Acts that govern the ERCB, and helps to satisfy the Board's mandated role as a purveyor of information.

“It also helps with the resource conservation part of our mandate, as we independently identify Alberta's inventory of reserves.” Crowfoot said.

This year's report received a makeover. Besides a new cover, ST98 has been reformatted to ensure greater consistency between the chapters, while the chapters themselves have been colour-coded for easier navigation.

A new chapter has been added, too. The “Resource Endowment” section discusses the methods used to estimate reserves, the petroleum systems that exist in Alberta, and the geological framework of Western Canada Sedimentary Basin.

ST98 is one on the most anticipated statistical documents released by the Board each year, and not just in Alberta as interest in the report has been registered from the U.S., Europe, and Asia.

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## ERCB helps launch multi-regulator Web site

**T**he ERCB and six other Canadian oil and gas regulators have launched a Web site that offers a multi-tiered approach to deliver regulatory information in a user-friendly format.

Canadian affiliates of the Interstate Oil and Gas Compact Commission (IOGCC)—the ERCB and regulators from B.C., Saskatchewan, New Brunswick, Newfoundland and Labrador, Nova Scotia, and the Yukon—in June unveiled Groundwork Canada ([www.groundworkcanada.org](http://www.groundworkcanada.org)). The Web site is devoted to timely oil and gas issues and features general information, findings, fact sheets, and other resources.

The IOGCC last year launched Groundwork ([www.groundwork.iogcc.org](http://www.groundwork.iogcc.org)), a Web site dedicated to

the emergent issues that the IOGCC views as pertinent and relevant. The organization's Canadian members and the Canadian Consulate General followed suit by developing a companion Web site, with an emphasis on the issues from a Canadian perspective.

The Groundwork Canada site includes five “micro-sites” that deal with hydraulic fracturing, unconventional gas, unconventional oil, regulatory enhancements, and environmental stewardship. Each micro-site provides information about legislation, regulations, stakeholder engagement, topic resources, and white papers.

“Groundwork is further evidence of the benefits of working and networking with other regulators in the U.S., Canada, and elsewhere on matters of

mutual interest and concern,” said Jim Dilay, ERCB Board Member and IOGCC representative.

“Participation in IOGCC by Alberta as an international affiliate is a very effective means of accomplishing such networking to further conservation, safety, and environmental protection in oil and gas development.”

The IOGCC represents the governors of 38 U.S. states and nine international affiliate members, including Canadian affiliates. Its mission is to promote the conservation and efficient recovery of oil and natural gas while protecting health, safety, and the environment.

## UPCOMING PUBLIC HEARINGS

Application No.	Applicant	Hearing Purpose
1675946 1624901	Penn West Petroleum Ltd.	Section 39 review of, and an application to amend, ER Scheme Approval No. 10947 for the Gilwood A Pool, Nipisi Field
Hearing Date:	June 21 - June 24, ERCB Offices, Govier Hall, Calgary, AB	
1644910	EnCana Corporation	Application for a gas pipeline and a contingency pipeline (0% H <sub>2</sub> S), Entice Field
Hearing Date:	June 28 - June 30, ERCB Offices, Govier Hall, Calgary, AB	
1675329	Bonterra Energy Corp.	Application for a crude oil well (0% H <sub>2</sub> S), Pembina Field
Hearing Date:	July 26 - July 28, Best Western Durham Inn & Suites 5207 - 50th Ave., Leduc, AB	
1516389	Sarg Oils Ltd.	Review of Abandonment Orders
Hearing Date:	Aug 16 - Aug 18, ERCB Offices, Govier Hall, Calgary, AB	
1674911	Bernum Petroleum Ltd.	Application for a crude oil well (0% H <sub>2</sub> S), Lochend Field
Hearing Date:	Aug 30 - Sept 02, ERCB Offices, Govier Hall, Calgary, AB	

## PENDING ERCB DECISIONS

Application No.	Applicant	Hearing Purpose
1629922 1629923	Canadian Natural Resources Ltd.	Application for 15 crude bitumen wells on 8 well pads (0% H <sub>2</sub> S), Minnie Lake Area
1629924 1648948		
1629926 1629927		
1634352 1629929		
1629930 1629931		
1629933 1629934		
1629935 1629936	Cenovus Energy Inc.	Applications for 47 shallow gas wells at CFB Suffield (0% H <sub>2</sub> S), Suffield Field
1648949 1629938		
1652695 1652698		
1652699 1652700		
1652702 1659427	TykeWest Ltd.	Applications for an off-target penalty and pool delineation, Stettler North and Erskine Fields
1659428 1659730		
1661488 1668182		

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### Alberta Geological Survey (AGS) documents on geological research

4th Floor, Twin Atria, 4999-98th Avenue  
Edmonton, Alberta T6B 2X3  
Telephone: 780-422-1927  
Fax: 780-422-1918  
E-mail: <AGS-Info@ercb.ca>  
Web: <www.ags.gov.ab.ca>

### ERCB Core Research Centre (CRC) cores, cuttings, and tour reports

3545 Research Way NW  
Calgary, Alberta T2L 1Y7  
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Fax: 403-297-5982  
E-mail: <crc.servicedesk@ercb.ca>

### Questions, complaints, problems?

For information or complaints about new or existing oil and gas developments and facilities, we recommend contacting the operating company first. If the company does not respond appropriately, you may contact the nearest ERCB Field Centre.

### ERCB Field Centres (24-hour service)

Bonnyville 780-826-5352  
Drayton Valley 780-542-5182  
Grande Prairie 780-538-5138  
High Level 780-926-5399  
Medicine Hat 403-527-3385  
Midnapore 403-297-8303  
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