

The Emerging Oil Revolution in Western Canada

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Summary

While natural gas prices have put a damper on drilling activity, production, and profitability in Western Canada a quiet revolution has been taking place in oil.

This is not the highly publicized, politically charged, environmentally sensitive development in the oil sands of northeast Alberta but the pursuit of conventional oil in low permeability rocks in areas that have been producing from better quality reservoir rock for decades.

The drivers for this activity include:

- The evolution of technology to effectively drill and complete low permeability reservoirs
- The prize of light oil that requires very little treatment
- The opportunity to add production in areas that already have trained manpower, infrastructure and a public understanding of the oil business
- The combination of relatively low risk and cost with high oil prices

The revolution started in the Bakken Formation in both North Dakota and Saskatchewan; it has since been spreading to formations like the Lower Shaunavon and Cardium across the basin.

This presentation will look at where the activity is taking place, the identification of opportunities, where similar opportunities may occur, and, how significant this activity could be for the oil industry in Western Canada.