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Back after another summer of some good weather and holidays. It was a wet second quarter, which certainly took its toll on activities in the field. The price of oil eclipsed \$60 and doesn't show any immediate sign of relief. The world seems to have once again adjusted to the new price structure and global economies are not suffering too much for it. Pierre Alvarez of CAPP (Canadian Association of Petroleum Producers) generally cautions that a high price environment within the larger Oil and Gas Industry tends to mask other shortfalls and fringe operators. Our problems in seismic tend to be quite different with continued elements of supply outstripping demand, seasonality and a lack of market pricing controls.

A comment from the Editor, Chris Jones, of *National Geographic*, August 2005 edition: "History is propelled by decisions made to accommodate the present but with unforeseen consequences for the future. Winston Churchill made one of those decisions on the eve of World War I. Then First Lord of the Admiralty, he took a "fateful plunge" and boldly ordered that the ships of the Royal Navy be fueled by imported oil instead of domestic coal. Their greater speed he predicted, would add "a new element into naval war." Oil, of course, also added a new element to world politics."

The three sisters of energy: oil, coal and natural gas, still account for 80 % or more of the world's energy consumption requirements. Forecast models going forward do not provide a lot of optimism for change. World demand growth is quite clear yet the use of alternative fuels still tends to be a hodge-podge of solutions – a little here of one type, a little there of another. The elements of global warming and general environmentalism are important factors but until governments work towards providing more reasonable solutions encompassing practical economic and environmental solutions, it is unlikely that the market will make any great strides by itself in solving the global energy problem.

As such the Oil Industry as a whole remains a going concern through the 21st century. One market analyst put it, "We don't tell any lies but we rarely tell all the truth either." This was in reference to the fact that we seem to placate the media and public with rosy pictures of renewables but the reality remains that without greater government involvement in this sector, change will move very slowly indeed without some greater outside impetus.

The Seismic Industry's picture here locally in Canada is not a very rosy one. The group has recently moved towards creating better monetary conditions for employees in an effort to stem the looming human resource problems in the near future. This is an important step for the group to coming down to some type of internal rationalization of its operations. The challenge remains one of creating standardized operating backdrop structures that in no way step into the field of collusion.

We are seeing greater traction in talking to jurisdictions such as BC about things such as heliportable royalty credit programs. The intention here is to encourage such programs; a

boon for areas such as environmentalism and seasonality; which would allow oil companies who later buy the data and drill from it to capture further royalty credits upon production. The concept doesn't directly help the pocket book of the contractors but the intention is that it should make the data more saleable. From the BC government's perception it will perhaps encourage more foothills drilling and ultimately drilling in other basins.

We have worked with Alberta and most recently BC in providing Timber Damage Assessment Incentives that do and will encourage programs to reduce line widths. This takes some time, as the market must react with new equipment designed for this purpose.

These types of solutions are small adjustments in a much greater range of the problem itself. However it is important to control what we can control and work towards solutions in whatever fashion we have available to us. Failure to do so will be to throw up our hands and profess the problem is too big to make changes ourselves. And to be certain, history clearly tells us that no one is going to do it for us.

This fall season kicks off a number of activities from an Association standpoint. Our Red Deer Geophysical Conference runs in Red Deer, AB on September 21 and 22. It looks to be well attended and backed by a strong selection of speakers dealing with the issues of the day. Our Seismic in Motion Field Trip will be hosted in Fort St John, BC in coordination with the BC Oil and Gas Week during the first week of October. Do not fret; we will bring it back to Alberta next year. Please see our website for further details on these items and others.

From the Thursday Files:

A man's doubts and fears are his worst enemies. He can go ahead and do anything so long as he doesn't know he can't do it.

- William Wrigley Jr.