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This winter looks to be the slowest in seismic field work her in Canada in decades. A combination of humdrum commodity prices and here in Alberta a new regulatory regime and a new Aboriginal Consultation process has caused backlogs and uncertainty as our industry goes into its busiest part of the season.

There are better signs in the year ahead. The regulatory morass in Alberta will get better. LNG Environmental Assessments are expected to be completed in the early part of 2013 paving the way for approvals and ultimately investment decisions by the proponents. The USA has approved four LNG export licenses. As these projects become reality there will be an upward movement on the price of continental natural gas moving closer to global prices. Perhaps Obama approves Keystone – on that one I won't hold my breath – he seems fine with doing nothing about anything anytime soon.

As B.C. ramps up LNG strategy, Alberta's role as energy powerbroker hangs in balance, Financial Post by Claudia Cattaneo Nov 23, 2013

As British Columbia's liquefied natural gas strategy moves closer to reality, Alberta is in an unusual place — on the outside looking in.

Historically, Alberta has been Canada's natural gas powerhouse and the energy powerbroker.

But it's B.C. that is best positioned to capitalize from the growing, global LNG trade. Its gas resources are bigger than Alberta's and less drilled. They are located closer to its northern coast, where liquefaction terminals are to be located.

The first LNG projects are expected to rely on B.C. shale fields rather than pursue Alberta gas. And Christy Clark's government is aggressively promoting development within its boundaries, motivated by the manna of royalty, tax and economic benefits.

With the big LNG investment decisions expected to start a year from now, debate is intense about how the new market will take shape and how it will impact producers and governments.

There's a lot a stake. Alberta's royalty revenues from natural gas have collapsed to about $1-billion this fiscal year, from a peak of $8.4-billion in 2005/2006, when prices soared due to the damage by hurricanes to Gulf of Mexico production, and before the discovery of shale gas.

British Columbia's gas royalties are expected to be in the $228-million range this fiscal year, from a peak of $1.9-billion in 2005/2006. Western Canadian gas — particularly B.C. gas — has been hardest hit by the so-called shale gale because it's the farthest away from North American markets, resulting in steep declines in drilling and production.

In its 2013 Canadian supply and demand outlook this week, the National Energy Board predicted Canadian gas production will continue its declining trend until 2018, to a low *of about 11.2 billion cubic feet a day, from more than 17 bcf/d in 2000. But the NEB is predicting a reversal from 2019 onward as LNG terminals are completed, with production returning to 17.4 bcf/d by 2035.*

B.C. is projecting a gusher in new revenue if the LNG industry takes off. If five out of 10 proposed facilities move forward, the province predicts the cumulative gross domestic product benefit could add up to $1-trillion by 2046, and create more than 100,000 new jobs. The province is working on a new tax on LNG exported from its shores and foresees higher gas royalties and higher business and income taxes.

B.C. is expected to announce in February fiscal terms for LNG producers to benefit its coffers. Rich Coleman, B.C.'s minister for natural gas development, said this week the terms will involve a corporate income tax on LNG output, regardless of whether the gas comes from B.C., Alberta or Saskatchewan.

It would be magnanimous of Alberta and perhaps Saskatchewan to not seek something in return, at a time B.C. is looking for its share of rent from pipelines to transport bitumen from its neighbouring provinces.

Is Human Resources (HR) still in issue here in Canada?

I think it is albeit you may taper the issue by the flattening and/or decline of the conventional oil and gas industry. The trouble is when the next boom comes we will be completely unprepared once again as an industry. Recent news excerpt as follows:

Canada's labour shortage threatens $50B LNG plans, Financial Post by Rebecca Pentry Dec 9, 2013

Energy companies trying to raise almost US$50-billion for Canada's first network of natural gas export terminals will face an even more basic challenge: finding the workers to build them.

Housing complexes boasting an indoor golf driving range, a two-story gymnasium and a private movie theater are among perks companies are mulling to lure tradesmen to Canada's remote, snow-swept West Coast and mitigate wage inflation that could blow up project budgets. Labor shortages in the country already have pushed wages for some oil and gas workers as much as 60 percent higher than their counterparts in the U.S., according to U.S. and Canadian labor data.

"The lack of skilled workers is a major component for the reason why you're often behind schedule and over budget," said Geoff Hill, partner and oil and gas leader at financial advisers Deloitte Canada in Calgary. A dearth of labor for oil sands and mining will be "exacerbated" by a new wave of construction to enable gas exports, he said.

Chevron Corp. will need as many as 5,500 workers to build a pipeline across Canada's western mountains and a plant on the country's frosty Pacific Coast for shipping gas to Asia, according to company estimates.

The company may be vying for workers with as many as nine other proposed liquefied natural gas, or LNG, export terminals on the West Coast that have received or applied for *permits. Chevron, Royal Dutch Shell Plc and Petroliam Nasional Bhd. are among energy companies planning to profit from rising gas demand in Asia, where Japan imported 6 trillion yen (US$58-billion) of LNG last year.*

LNG project leaders such as Chevron are working to secure additional financial partners and negotiate long-term contracts with suppliers before they make their final investment decisions to proceed. If five of those Canadian projects are built by 2021, they'll require 21,600 workers at the peak of construction, according to estimates from Grant Thornton LLP, an audit, tax and advisory firm.

Investors want to prevent the spiraling labor costs that have contributed to a budget overrun of more than 20 percent at Chevron's Gorgon LNG project in Australia. Canada's fast-growing development in oil sands, shale fields and mining has put a premium on skilled workers in the nation.

Oil and gas drill operators, for example, can earn $44.80 an hour in Canada, compared with $29.50 for the same job in Texas, according to figures from Nabors Industries Ltd., which operates the world's largest land-based drilling rig fleet.

As many as 47,900 oil and gas jobs will need filling in Canada over the next decade, according to the Petroleum Human Resources Council of Canada.

Chevron's site is located near one of western Canada's snowiest communities, Kitimat, British Columbia, which adopted a snowflake logo to commemorate the 424 centimeters (14 feet) that drop on average each winter, Environment Canada data show.

ENGO's are not doing anyone any good in fighting against issues such as fracturing and pipelines. Natural gas continues to be the most important energy source for new energy requirements versus that of using coal. Coal still holds the place of prominence of contributing more than fifty percent of the global energy gains continuously over the past decade. A similar falsehood although not completely related is over pipeline safety. Shutting down new pipeline construction only makes the transport of fossil fuels more dangerous by either using rail or truck. However on that note, suffice it to say CAPP has done a very decent job on their PR work surrounding the OilSands.

From the Thursday Files

A common mistake that people make when trying to design something completely foolproof is to underestimate the ingenuity of complete fools.

Douglas Adams