

OPI NEWSLETTER

THE VOICE OF THE ONTARIO OIL AND NATURAL GAS INDUSTRY

SUMMER 2018

SPONSORING MEMBERS

Baker Hughes
Charles Fairbank Oil Properties Ltd.
Clearbeach Resources Inc.
Dundee Energy L.P.
Elenco Ltd.
Harold Marcus Limited
Market Hub Partners Canada L.P.
Pembina Pipeline Corporation
Weatherford Canada Ltd.

SUSTAINING MEMBERS

Barnes Oil Co.
T.W. Marsh Well Drilling & Servicing

Ontario Petroleum Institute Inc.

555 Southdale Rd. East, Suite 203
London, Ontario Canada N6E 1A2
Tel: (519) 680-1620

Email:

opi@ontariopetroleuminstitute.com

www.ontariopetroleuminstitute.com

Hugh Moran, Executive Director
Lorraine Fillmore, Office Manager

Encouraging responsible exploration and
development of the oil, gas, hydrocarbon
storage and solution-mining industries in
Ontario

ISSN 14802201

EPEX 2018 – OPI's 56th Annual Conference



The OGSR Library Staff

The 56th Annual OPI Conference and Trade Show which took place on May 14-15 featured the introduction of EPEX 2018 Energy Prospectors Expo which is expected to be the on-going theme for future conferences. EPEX 2018's program included presentations on hydrocarbons, energy storage, and environment and risk management. The Conference's keynote speaker was Teri Kirk from The Funding Portal who spoke on the tools available to attract investors. A commendation to the OPI Conference Committee for their work. A special thank you to Ian Colquhoun, Conference Chair; Lorraine Fillmore, OPI Office Manager; and Jordan Clark and the Library team for their efforts organizing and running the conference.

OPI Board of Directors

President

Dale Holland
Holland Testers Ltd.
(519) 322-8015

1st Vice President

Jim McIntosh
Jim McIntosh Petroleum
Engineering Ltd.
(519) 657-2176

2nd Vice President

Denis Marcus
Harold Marcus Limited
(519) 380-5283

Secretary

Frank Kuri
Dundee Energy LP

Treasurer

Charlie Fairbank
Fairbank Oil Properties Ltd.
(519) 882-0230

Directors

Ben Barnes
Double B Well Services Ltd.
(519) 381-9337

Dave Bond
Pro Mechanical
(519) 683-4639

Ian Colquhoun
Consultant
(519) 476-9967

Mike Dorland
Consulting Geologist
(519) 532-3469

Jane Lowrie
Clearbeach Resources Inc.
(519) 657-2151

Kathy McConnell
Enbridge Gas Distribution Inc.
(519) 862-6032

Jack Norman
Elexco Ltd.
(519) 686-0470

David Thompson
Northern Cross Energy Limited
(403) 870-1524

A big THANK YOU to our Conference Sponsors:

Platinum

Oil, Gas & Salt Resources Library

GOLD

Baker Hughes, a GE Company
Elexco Ltd.
Harold Marcus Limited

SILVER

American Refining Group
West Bay Exploration Company

BRONZE

Brisco and O'Rourke
Holland Tester Ltd.
Jim McIntosh Petroleum Engineering Ltd.
23549780 Ont. Inc. Oil & Gas Energy (Ed Welychka)
RWAM Insurance Administrators

FRIENDS OF OPI

Wellmaster Pipe & Supply Inc.

We would also like to thank our Conference Exhibitors:

Baker Hughes, a GE Company

LimeGreen Equipment Rental

Ministry of Natural Resources and Forestry

Oil, Gas & Salt Resources Library

Pinchin Ltd.

Stream-Flo Ltd.

Wellmaster Pipe & Supply Inc.



EPEX 2018 Exhibitors





Message from the Executive Director

It has been an extremely active time at the OPI since our last newsletter some months ago. The schedule of meetings, events and conferences has taken the OPI to Michigan, Alberta, and back to Ontario to promote and discuss various aspects of the province's oil, natural gas and salt solution mining industries. During this time the price of oil has risen steadily, and as this message is being written oil in North America is trading at \$70/barrel and natural gas at \$2.95 mcf.

The OPI Board of Directors held meetings on March 23rd and May 25th. The Historical Producers Committee reported that in a meeting with Parks Canada the rationale that was given for the decision to decline Oil Springs' application for Heritage Status was not substantive.

The Producers Committee reported on the OEB Hearings on the Enbridge Gas Distribution Inc. and Union Gas Limited amalgamation, new regulations for compressed air energy storage, recently announced Federal Methane Regulations, clarification of cementing requirements from the MNRF, and the recent increase in shipping costs to the terminal in Sarnia.

The Conference Committee provided an update report on the 2018 OPI Conference and Trade Show May 14-15 in London. More on the conference a bit later.

The Membership Committee discussed how the OPI membership structure might be changed to broaden the membership. A Membership Review Group will be formed to explore ideas. Applications from five new members was approved.

The Governance Committee reported that a draft of potential OPI By-law amendments has been prepared for review.

The Research, Education and Environment Committee reported that the First Nations community is involved in oil and natural gas development through Indian Oil and Gas, a federal agency funded by the Federal Government. Also the Committee showed videos with evidence of the misinformation on fossil fuels being communicated by politicians and the environmental movement on the effects of climate change.

The Tax Committee discussion on tax assessment brought forward a suggestion that the OPI create a fund

to advocate for changes to assessments of oil and natural gas assets in the Assessment Act.

It's expected that the final reports being prepared for and by OPI-MNRF Hydrocarbon Sector Working Group and Sub-Groups on suspended wells, inspector protocols, historical standards, well abandonment standards, well approval process, examiner protocols, and private gas wells will be completed by June 30th.

The OGSR Library is on track for a successful year continuing to attract special project contracts from its client base. The Library celebrated its 20th Anniversary February 16, 2018 hosting an event that was well attended and included a gift presentation from the Minister of Natural Resources and Forestry.

The 56th Annual OPI Conference and Trade Show May 14-15 featured the introduction of a new conference theme - EPEX 2018 Energy Prospectors Expo. The Conference program was well received and attendees included companies from Toronto and Montreal with specific interest in new exploration, a good sign for the Ontario industry.

As of June 7th Ontario has a new government with the election of a Progressive Conservative majority government. Recent developments indicate the new government will take a different direction on managing climate change which could affect natural resource development. The OPI is hopeful that the changes will bode well for Ontario's oil and natural gas industry.

The month of June also saw one of our yearly events the OPI's Annual Golf Tournament provide members with a sunny day of golf followed by dinner at the Oakwood Resort in Grand Bend. Many thanks to Lorraine Fillmore, OPI Office Manager for her efforts organizing the day.

Enjoy this issue of the OPI Newsletter and please contact me anytime at 519-630-4204 or at hughmoran@ontariopetroleuminstitute.com.

Have a great summer!

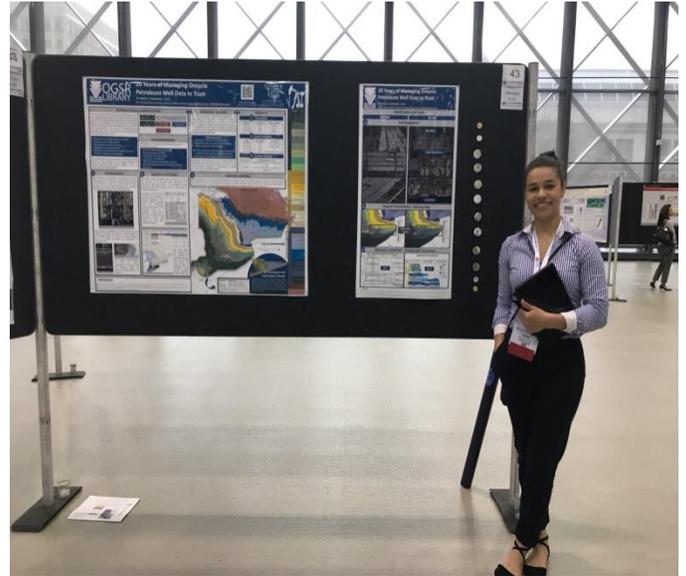
Hugh Moran, Executive Director

GeoConvention 2018

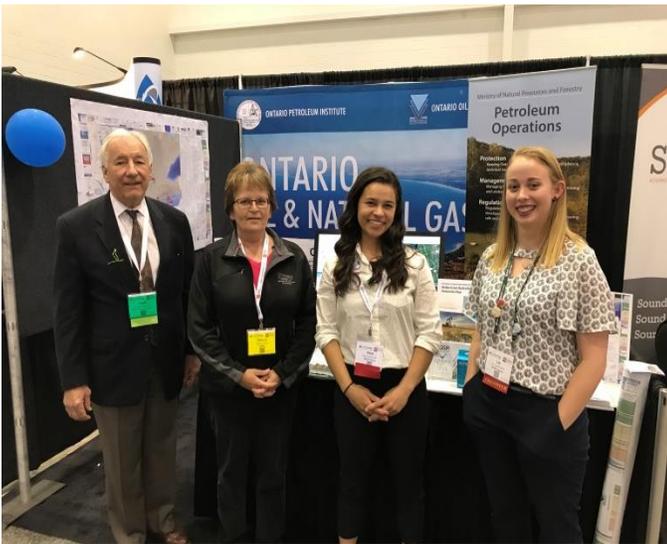
Sponsored by the Canadian Society of Petroleum Geologists



The Booth



Maia Somers Poster Presentation



Hugh Moran, Sherry Pineo, Maia Somers, Liz Sutherland



Prize Draw Winner

OPI Talking Points

OPI attends conferences with the Ministry of Natural Resources

The OPI conference schedule from April through to the middle of May included attendance at the Michigan Petroleum Conference held in Traverse City, Michigan that featured a trade show and a day of talks titled “*Michigan Basin Going Forward – Focus on the Traverse Group*” in a joint event with the Petroleum Technology Transfer Council. At the 2018 GeoConvention, a conference event of the Canadian Society of Petroleum Geologists, held in early May in Calgary, Alberta the OPI/OGSR Library exhibit drew a steady stream of delegates. The Library was involved in one of the talks and had a poster in the poster display. The Ministry of Natural Resources and Forestry also attended both conferences to promote Ontario exploration with an exhibit booth in Michigan and collaborated on an exhibit with the OPI in Calgary.

Compressed Air Energy Storage

The Ministry of Natural Resources and Forestry regulation proposal to regulate compressed air energy storage (CAES) in solution-mined salt caverns.

The regulatory changes will come into effect October 1, 2018 and are included in amendments to [Ontario Regulation 245/97](#) under the Oil, Gas and Salt Resources Act which can be viewed at: <https://www.ontario.ca/laws/regulation/970245>, and the associated [Provincial Standards for Compressed Air Energy Storage](#) available for review at: <https://www.ontario.ca/document/oil-gas-and-salt-resources-ontario-provincial-operating-standards>.

The change creates a standardized application process and operating rules for activities associated with underground compressed air energy storage projects in salt caverns, and will address projects in porous rock reservoirs on an individual basis, as they come forward, through future regulations.

Federal Methane Regulations

On April 26, 2018, the Government of Canada announced its Methane Regulations - *Regulations Respecting Reduction in the Release of Methane and Certain Volatile Organic Compounds* - for the upstream oil and natural gas sector in Canada.

Environment and Climate Change Canada has stated that these new federal regulations are to reduce methane emissions by introducing control measures to reduce fugitive and venting emissions of methane that will help Canada reach its target to reduce greenhouse gas emissions.

As these regulations will affect exploration, production and services in the upstream oil and natural gas industry including in Ontario we would encourage you to review the regulations at: www.ec.gc.ca/lcpe-cepa/eng/regulations/detailReg.cfm?intReg=243

For further information or questions please contact Hugh Moran at: 519-630-4204 or hughmoran@ontariopetroleuminstitute.com

Source Water Protection Committee

The OPI has been re-appointed to the Thames-Sydenham and Region Source Water Protection Committee to serve as the oil and natural gas representative until June, 2021.

A delegation from the Wallaceberg Area Wind Concerns met with the Source Water Protection Committee, of which the OPI is a member, on March 23rd to present their concerns about wind turbines having a significant impact on the private drinking water wells in the Wallaceburg area. The group requested that the Committee identify wind turbine projects as a threat to highly vulnerable aquifers and significant groundwater recharge areas or consider elevating private systems in the areas of concern into the source protection program.

The Committee reviewed the issue and agreed to send a letter to then Minister of Environment, Chris Ballard to urge the Ministry to consider the principals of the Clean Water Act and source protection planning when reviewing and approving any new wind projects.

2018 Ontario Oil & Natural Gas Magazine

The release date for the 2018 Ontario Oil Natural Gas Magazine is expected to be in September. The change will allow for content from the OPI Conference and Trade Show as well as information now available from various Government of Ontario ministries with the Ontario election having concluded.

OPI Annual Golf Tournament

We held our Annual Golf Tournament on Wednesday June, 13th at the Oakwood Resort in Grand Bend. What a fabulous day! The weather cooperated, hot and sunny, with just a few drops of rain. Seemed like everyone had a great time☺

A big THANK YOU to all our sponsors:

American Refining Group

Baker Hughes, A GE Company

CDT Strategies

Eastern Oilfield Services

Elexco Ltd.

Holland Testers Ltd.

Jim McIntosh Petroleum Engineering Ltd.

LimeGreen Equipment Rental

Petro Engineered Products

Pinchin Ltd.

Ray Neal

RWAM Insurance Administrators

S & S Resources Inc.

Stevenson Oil Property

TAQA North

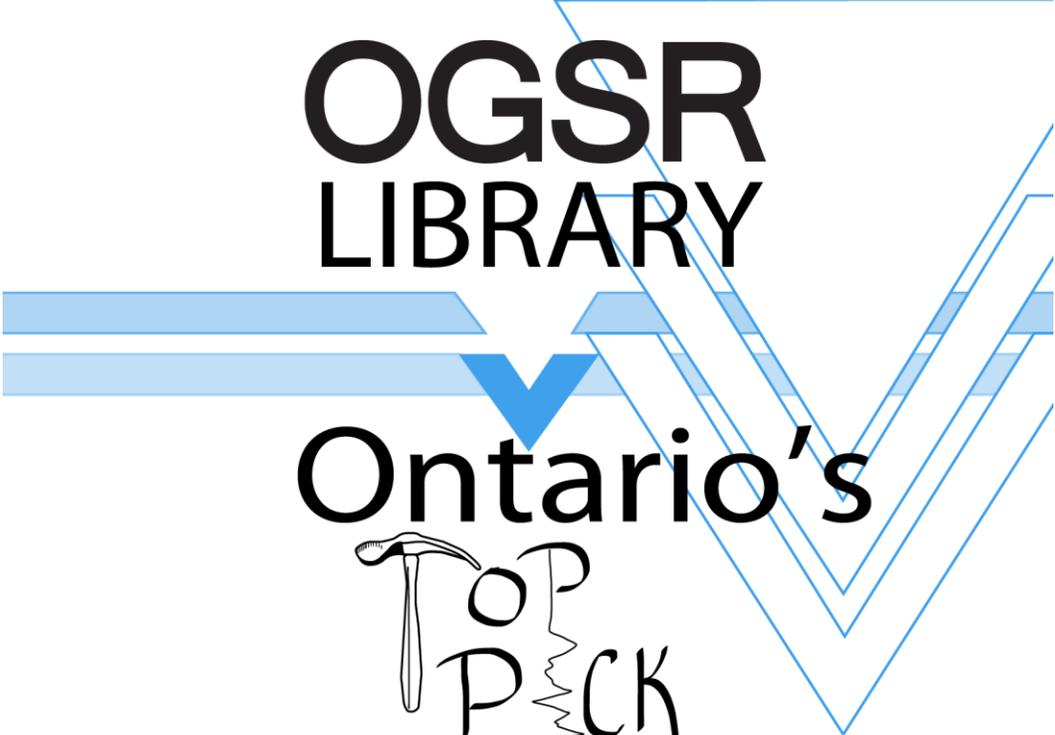
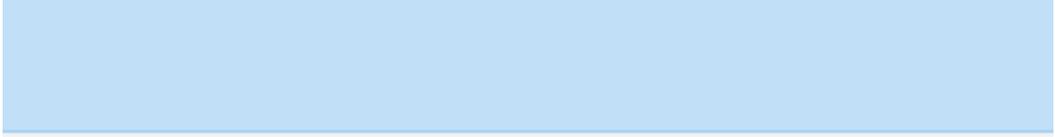
Weatherford Canada Ltd.

Wellmaster Pipe & Supply

2354978 Ontario (Ed Welychka)







OGSR LIBRARY

Ontario's



TOP
PECK

for geoscience & petroleum

GIS - GEOLOGY - RECORDS

669 Exeter Rd., London, ON

519 - 686 - 2772

www.ogsrlibrary.com

@ogsrlibrary



2018 Upcoming Events

Board of Directors Meeting

July 6, 2018
OPI Boardroom



ELEXCO
GROUP

A FULL SERVICE LAND COMPANY



ELEXCO LTD.
ON, Canada 800.603.5263

**ELEXCO LAND
SERVICES, INC.**
Michigan 800.889.3574
New York 800.999.5865
Pennsylvania 412.788.2200

SERVING NORTH AMERICA

- Mineral and Surface Leasing
- Right-of-Way Acquisitions
- Mineral Ownership/Title Curative
- Land Administration
- Seismic Permitting
- Mapping/GIS Services
- Abstracts of Title
- Due Diligence

www.elexco.com