



OPI NEWSLETTER

THE VOICE OF THE ONTARIO OIL AND NATURAL GAS INDUSTRY

FALL 2021

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SUSTAINING MEMBERS

Barnes Oil Co.

Ontario Petroleum Institute Inc.

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Lorraine Fillmore, Office Manager

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

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OPI elects a new Board of Directors

At the Annual General Meeting held on November 10th at the Best Western Stoneridge Inn and Conference Centre the members elected a new Board of Directors for 2022.

Ben Barnes, Double B Well Service Ltd.; Peter Budd, Bedrock Energy Corp.; Mike Dorland, Mike Dorland Consulting; Frank Kuri, Consultant; Peter Rowe, Consultant; and Dave Tipping, Weatherford Canada Ltd., were all elected for a two-year term.

The following Board Members have agreed to fulfill the second year of their two-year term: Lonnie Barnes, Barnes Oil Co.; Niki Clarke, Elexco Land Services, Ltd.; Michael Hunter, Resources Link; Scott Lewis, Lagasco Inc.; Jeff Luckovitch, Integral Pumping Services Inc.; Denis Marcus, Harold Marcus Limited; and David Thompson, Northern Cross Energy Limited.

Members approved Ontario Petroleum Institute's Financial Statements for the year end August 31, 2021, and appointed Scrimgeour & Company CPA Professional Corporation auditor for OPI and OGSRT for the next fiscal year.

A huge thank you to our Breakfast Sponsors at the AGM:

Barnes Oil Co.
Elexco Land Services, Ltd.
Lagasco Inc.

OPI Board of Directors

Chairman

Scott Lewis
Lagasco Inc.
(519) 871-0876

Vice Chairman

Peter Budd
Bedrock Energy Corp.
(647) 616-6400

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

Lonnie Barnes
Barnes Oil Co.
(519) 834-2339

Niki Clarke
Elexco Land Services, Ltd.
(226) 378-3787

Mike Dorland
Mike Dorland Consulting
(519) 532-3469

Michael Hunter
Resource Link
(519) 426-5089

Frank Kuri
Consultant
(226) 926-9464

Jeff Luckovitch
Integral Pumping Services Inc.
(226) 234-5362

Denis Marcus
Harold Marcus Limited
(519) 695-3735

Peter Rowe
Consultant
(519) 671-9532

Dave Tipping
Weatherford Canada Ltd.
(519) 436-3541

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

OPI elects new Leadership

The Ontario Petroleum Institute Board of Directors, at its November 19th meeting chose a new slate of officers.

Scott Lewis, Lagasco Inc. was elected Chairman of the OPI for 2022 and Peter Budd, Bedrock Energy Corp. was elected Vice-Chairman.

Standing Committee Chairs:

Conference: Niki Clarke, Elexco Land Services, Ltd.

Finance: Lonnie Barnes, Barnes Oil Co.

Governance: Peter Rowe, Consultant

Nominating: Ben Barnes, Double B Well Service Ltd.

Regulatory: Peter Rowe, Consultant

The officers of the Ontario Oil, Gas & Salt Resources Corporation for 2022 are: Scott Lewis, Peter Budd, Frank Kuri, Jeff Luckovitch and Peter Rowe.



Chairman's Message

The OPI remains extremely active working for its members on several key industry initiatives. In June 2021, Premier Ford shuffled his cabinet and merged the Ministry of Natural Resources and Forestry with the Ministry of Northern Development and Mines to create a new ministry now referred to as the Ministry of Northern Development, Mines, Natural Resources and Forestry ("NDMNRF"). During this cabinet shuffle John Yakabuski was replaced by Minister of NDMNRF Greg Rickford.

The OPI regulatory committee and OPI members have continued to focus efforts towards developing direct lines of communication and dialogue within the senior level of the Ford government on issues of concern to the sustainability of the oil gas and salt industries in Ontario. Over the past 11 months, MPPs, Cabinet Ministers, and senior staff have been contacted on several issues including the following; the potential shut-in of the Enbridge Line 5 pipeline, the OPI's orphan well proposal delivered to the federal government and the development of a funding model for this, the Wheatley gas release and explosion, Municipal pipeline assessments, and a collaborative approach to resolving onerous and arbitrary interpretation of regulations.

The OPI in collaboration with NDMNRF is in the process of establishing a Oil and Gas Sector Working Group ("OGSWG"). Members elected by board resolution to represent the OPI on the OGSWG are Peter Rowe, Jim McIntosh, Jack Norman, and Jug Manocha. The table will meet regularly to engage in discussion regarding activities regulated under the Oil, Gas and Salt Resources Act and other matters of common interest.

Gas Purchase Agreement:

For decades now OPI members have been concerned with the pricing and charges Ontario producers receive for their natural gas sold under the standard gas purchase agreement with Union Gas Limited and now Enbridge Gas Inc. OPI members intervened in Enbridge's 5-year gas supply plan proceeding in 2019 and through several submissions outlined Ontario producer concerns with pricing, meter station costs, balancing charges, station fees and access to the distribution system. Subsequently, through several discussions with Enbridge and the Ontario Energy Board ("OEB") staff, Enbridge has agreed to eliminate the 11 cent per gigajoule balancing and transportation charge in the standard gas purchase

agreement with Ontario producers. This became effective on July 1st, 2021 for all Ontario producers.

Although significant progress has been made there is still much more work to do, and discussions between OPI members and the OEB continue. The OPI is advocating for a hearing in the near future to decide whether Ontario producers should receive the same price as Enbridge customers pay in the southern rate zone for gas commodity instead of the forward-looking Dawn pricing currently offered to Ontario producers by Enbridge. If a hearing is called and OPI is successful Ontario producers should receive a fairer and more equitable price for their gas, which recognizes its proximity to end use customers. Additionally, OPI members may have the opportunity to address Enbridge meter station build costs and monthly meter station fees and access issues during Enbridge's rebasing proceedings at the OEB.

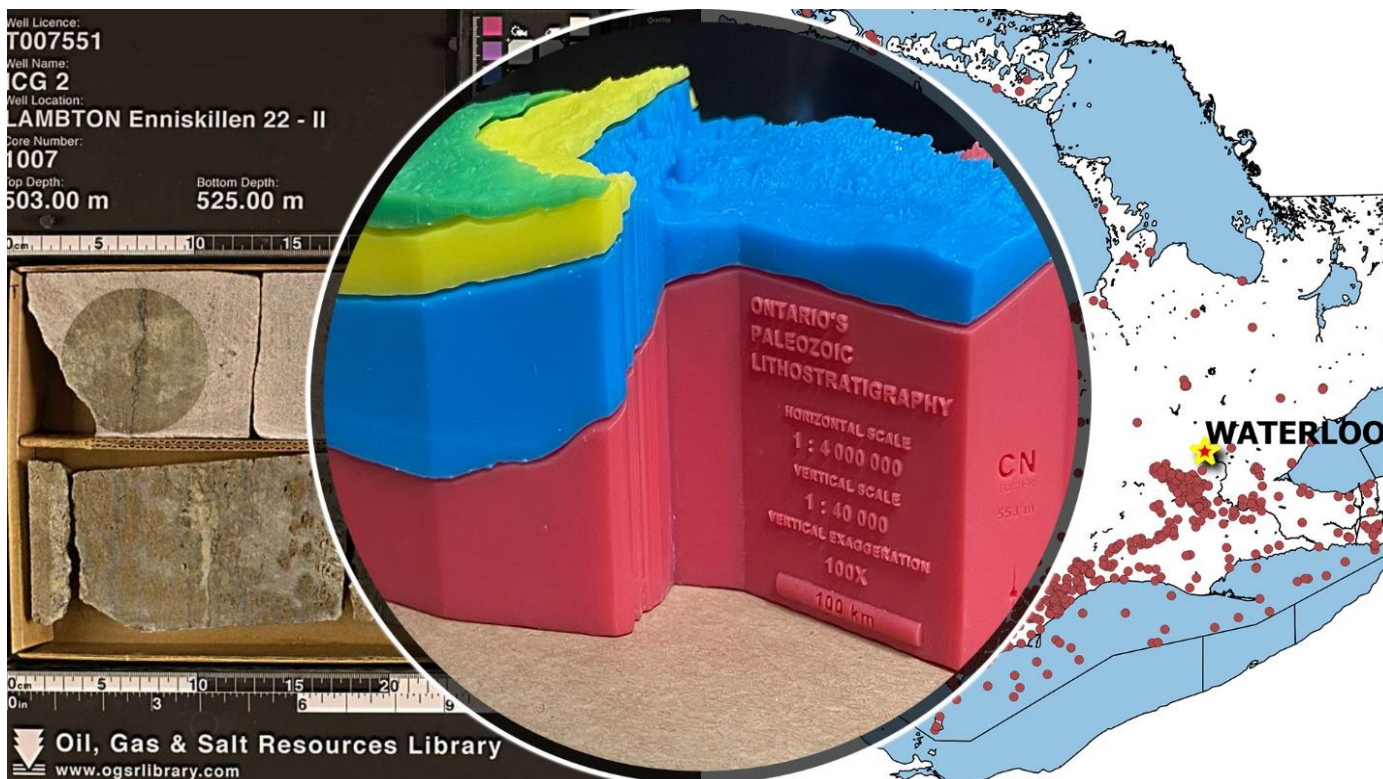
Municipal Taxes:

Over the past year some operators have been successful in correcting valuations on their facilities and wells to bring them in line with fair market value. Historically, there has been a patch work of valuations amongst different MPAC field valuers by region with no oil and gas specialization. John McEwen a specialty property valuator at MPAC has been assigned to oil and gas industry valuation to provide continuity in valuating these specialty assets.

With respect to the Municipal pipeline taxes, on April 15, 2021 the OEB issued a favourable decision for an OPI member stating that the pipelines should not be taxed under the tables in section 25 of the assessment act in MPAC's linear group. The linear group currently taxes utility transmission lines and does not incorporate depletion or functional obsolescence as is common in the extractive industries causing inflated valuations for oil and gas gathering pipelines whose value is inextricably linked to the subsurface resources. MPAC has appealed the OEB decision to the superior court, the appeal is set to be heard April 7th, 2022.

I look forward to another great year of progress for the OPI and all of its members on issues that matter to us all to make Ontario and the provincial oil, gas and mineral sectors, healthy, and prosperous.

*Scott Lewis, Chairman
Ontario Petroleum Institute*



Thousands of new resources for desktop explorers released from the OGSR Library archives

Easy access to data could bring a big boost to your idea generation, exploration, and discoveries. That is why we've been hunkered down publishing thousands of new imaging assets for you to browse and coming up with new ways for you to visualize your abstract data, discoveries, and subsurface assets. The OGSR Library is happy to present you with three new ways for anyone to explore (and one bonus for members).

1. **Rock imaging.** In addition to the 3,000 microscope chip sample photos that have long been available in PxTools we're adding almost 30,000 core photos! Every core box photographed has a dry, wet, and ultraviolet fluorescence photo.

There are two ways to access the photos. In *Google Earth* using PxTools (<http://www.ogsrlibrary.com/downloads/PxTools-by-OGSR-Library.kmz>) the layer *Rock Core Photos* is now available under the *Geological Imaging* folder. You will also find all core numbers on well cards browsed through our website will be linked to core photos whenever they exist. We've built more than just a photo viewer, use a virtual brush and blend tools to mix the wet/dry/uvf images to really start exploring these rocks right in your web browser.

It is now possible to view hundreds, or thousands, of core boxes in a day. These are the thumbnail quality photos, once you find core worth looking at in greater detail a high-resolution photo is available or come to view the core in person.

2. **3D Printing & Ontario's New Lithostratigraphic Model.** Take your exploration concepts and subsurface visualization to the next level with a tactile model. The OGSR Library is offering 3D printing of your subsurface concepts as a service. Models can be printed using our palette of standard geological colours.

Prints can be based on the newly released 3D [lithostratigraphic model](https://doi.org/10.4095/328297) of southern Ontario (<https://doi.org/10.4095/328297>) that you can download and explore now, or any custom mapping. Be sure to check out the four-layer snap-together model of Ontario's full Paleozoic stack next time you visit the OGSR Library.

3. **New Video Highlights.** Thinking about exploring the Cambrian or lower Ordovician rocks of Ontario? Check out this new [video highlighting the cores and data](https://youtu.be/BrA37BK8K8) available at the OGSR Library (<https://youtu.be/BrA37BK8K8>). This video was created for a presentation made at Carbon Capture and Storage Waterloo, if you missed it be sure to check out the video now.

Keep exploring with our EPEX 2021 playlist, we have all talks posted from this conference if you missed anything or just want a refresher on all the great information delivered by the presenters: <https://youtube.com/playlist?list=PLLGBWihEIY2GVnjHQ-4lh2UuQR0CroazA>.

Member Bonus: Finally, our most requested members-only data sets are available to all members without requesting! Log-in to the site and download all this great data directly from the [Member Data download](#) section of our *Petroleum Well Data* download page :

ogsrlibrary.com/data_free_petroleum_ontario#member-data

We hope these links will give you a lot to explore and look forward to bringing more data and tools next year!

Membership Updates

Welcome New Members

Peter Budd
Bedrock Energy Corp.
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Toronto, ON M6P 2S4
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(647) 616-5400

Wally Gal
JCI Filtration & Separation Inc.
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Upcoming Events

OOGSR Corporation Meeting

January 19, 2022

Via Zoom Video Conferencing

Board of Director's Meeting

January 21, 2022

Via Zoom Video Conferencing

TAC Meeting

February 2022

Via Zoom Video Conferencing



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