

Industry Study Collaborating with Our Aboriginal Partners for Economic Development

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Summary (All headings should be Arial 12pt bold)

Working with our aboriginal partners in the oil and gas industry is a benefit for everyone. Through employment and leveraging local suppliers, aboriginal and industry both benefit. This study in collaboration defines the major parts of a drilling and completions costs tracking to identify the areas of opportunity for industry to partner with aboriginals for a synergistic relationship and success for field development.

Theory / Method / Workflow

We recently were involved in facilitating an aboriginal delegation from Quebec to Calgary which has never signed a deal or negotiated for oil and gas operations. This involved some technical collaboration with myself and one other person, who came in as last minute substitutes, collaboration with indigenous groups and organizations for experienced peer guidance, and an operation field tour. I felt enheartened to help while noting that there were questions to how inexperienced indigenous groups within their land deals needed more information regarding secondary business activity if not primary clauses in their land deals. Access to industry independent data, analysis, and insight are aspects that I and my company can add to help with this journey for any similar new or even existing aboriginal groups

Our workflow is to collect several well files from the BC Montney that have detailed cost information per day of the drilling and completions program. Each service or supply cost per day will be collect for each well. Each type of service or supply company will be evaluated for their pros and cons in the aspect that an indigenous group could create a company that provides these to the oil and gas industry working on or near their band. Several properties that I plan to note to help with business development and creation for indigenous groups, as all groups vary in size which impacts financial backing and experience, are relative comparisons or scores on:

- Income percent of the drilling and completions program
- Capital investment required to start a local company
- Technology required to start a local company
- Education required for the employees of the local company
- Comments on all of the above
- We are open to adding more properties to analyze and report in the conference presentation

In the past I have mentored 2/3 of the graduating class of petroleum technologists made up of domestic and international students a time period of 5 to 7 years ago until a change of personnel there. It involved in looking at well files, getting the exposure of actual engineering and field operations for their work intern exposure as SAIT could not place most of their students. I would consider a few indigenous students keen to co-author and participate in reviewing and capturing

the raw data in a similar fashion. I have a Calgary indigenous business leader that is willing to review the presentation for the conference.

Results, Observations, Conclusions

We expect to conclude more than these obvious things that are expected to be confirmed with the real data:

- Frac Company
 - Very capital intensive (in the order of \$60MM)
 - High technology (chemical and equipment)
 - Education (some of the leaders have to be highly educated while the bulk of the numbers don't need to be if a proper training program is in place)
- Water supply and trucking
 - Low capital investment (\$0.2MM)
 - Low technology – existing commodity
 - Education – normal business education with operations only needing junior high to high school graduation

Novel/Additive Information

Acknowledgements

To any of the indigenous students or industry people that help collect, review, or identify other properties of the business opportunities.

References

Reference Style (use Arial 9pt normal)