

Horn River Basin Shale Gas Producers Group Working Together on Roads and Pipelines

The Horn River Basin is an area with very little existing infrastructure and challenging physical conditions including muskeg and thick forests. Building pipelines, roads and other infrastructure necessary for shale gas exploration and development is not easy, so it makes sense for companies to work together to minimize their footprint.

The Horn River Basin Shale Gas Producers Group is comprised of eleven companies including Apache, Devon, EnCana, EOG, Nexen, Quicksilver, Stone Mountain/Ramshorn, Imperial Oil/ExxonMobil Canada, ConocoPhillips, Suncor, and Pengrowth. The group's collaborative approach to information sharing at early stages of development helps companies to identify opportunities to reduce their surface impact.

One of their joint projects is the Komie Road in the southern part of the basin. A 37 kilometre extension on this road was built in winter 2008 by EnCana, with financial support from Apache and Nexen. All three companies can access their land holdings from this single, shared corridor and other companies are also starting to use it. EnCana is responsible for maintaining the road.

Several companies including Imperial Oil/Exxon Mobil, Apache and EnCana, are also jointly constructing and maintaining a 90 km section of winter road, located near the Poco Komie and Komie road junction, for 2009/10 operations activities.

Now that the Komie Road is in operation, EnCana, Apache and Nexen are choosing drilling locations immediately beside it in order to minimize surface impact.

EnCana is also using the Komie Road as a pipeline corridor instead of creating a separate pipeline route. A 70 kilometre, 24-inch pipeline runs beside the road, and was constructed in the winter of 2008/09. This line is operated by EnCana and has been built to process gas from EnCana, Apache, Nexen, Devon, EOG and Imperial Oil/ExxonMobil.

“Currently the pipeline connects to the existing Spectra system at Cabin,” explains Mark Taylor of EnCana and co-chair of the Producers Group Operations Committee. “Once the Cabin Gas Plant is commissioned, this gas will be pipelined to it.”

The plant will be one of the main facilities for gas coming out of the Horn River region.

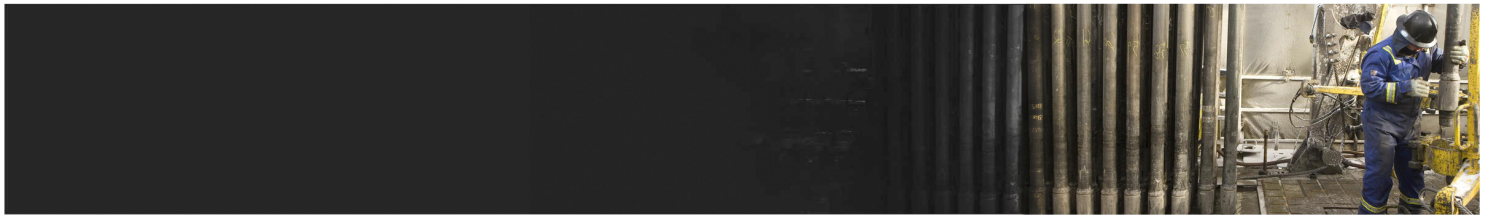
Meanwhile, Imperial Oil /Exxon Mobil acquired a 24 km section of an existing logging road (the Kiwigana Road) and is extending it to its pilot pad site. The road, now called Deer River Road at the request of Fort Nelson First Nation, will also be used by EnCana to access one of its wellsites.

“The main focus of the Producers Group is to coordinate our activities and facilities,” says Mark. “Any infrastructure built in the area is open to members of the group.”

Another joint pipeline constructed by Nexen and Devon is already in use in the southern Horn River area. This 70 kilometre, 8-inch pipeline extends from Devon's c-100-G facility eastward to the Spectra gas gathering system.

“We are looking for every opportunity to cooperate in the Horn River area,” says Ron Bailey of Nexen, a member of the Producers Group. “Our goal is to reduce our industry footprint.”

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*This document was prepared and endorsed by the
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