



# Western Canada Summer 2011 Supply/Demand Outlook

Presented by: Craig Yano



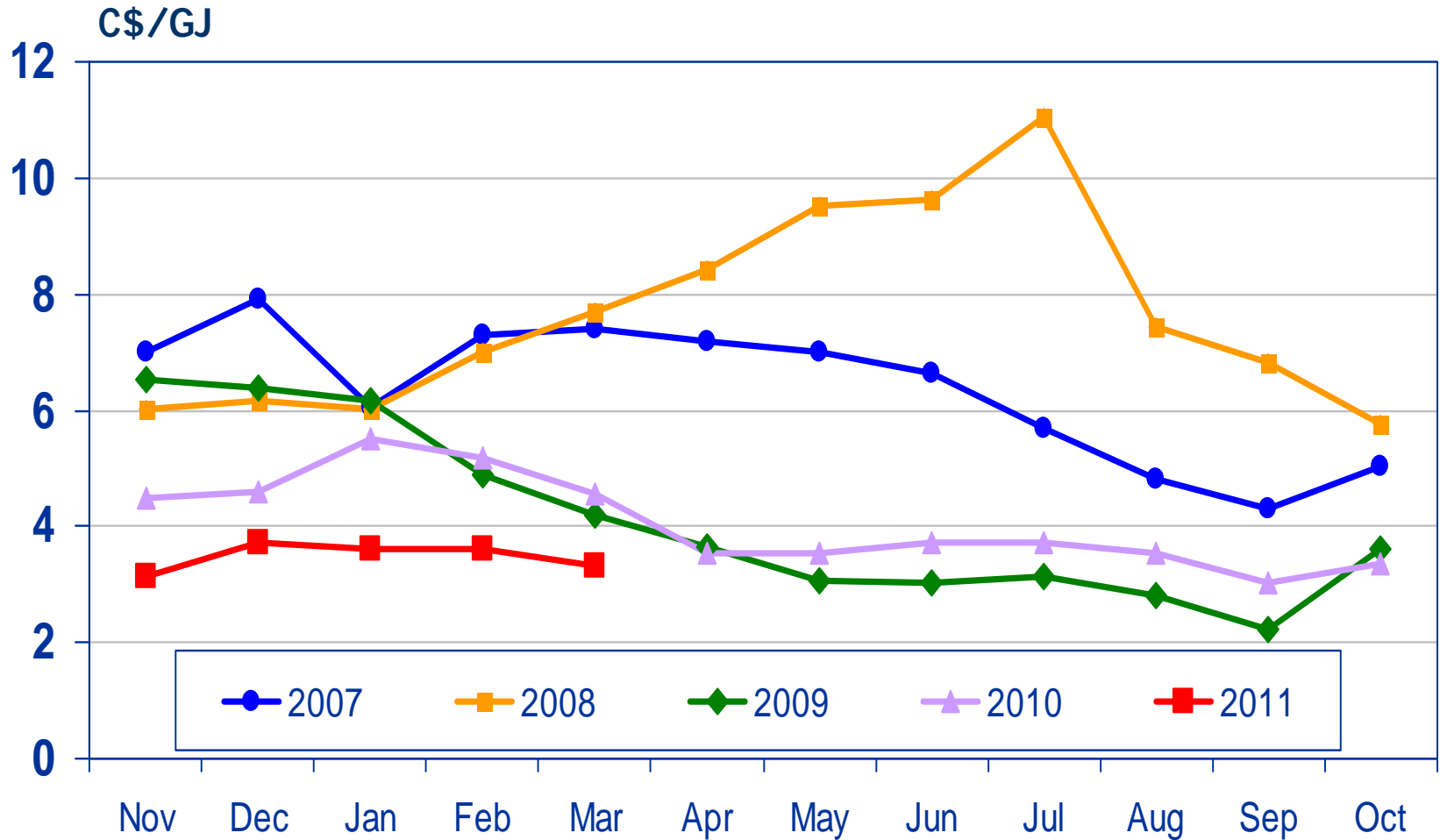
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# Observations

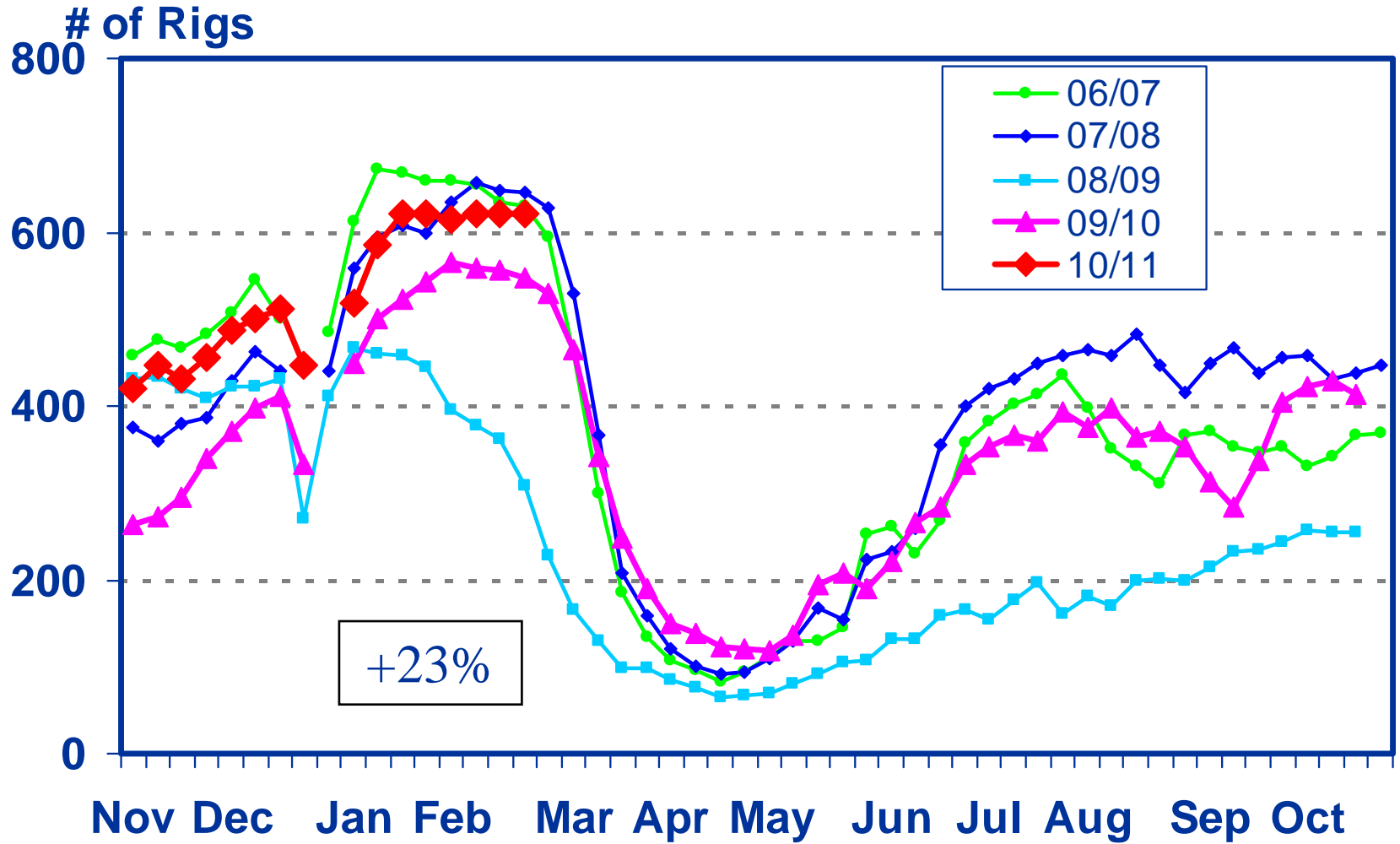


- **WCSB gas activity starting to lag behind last years' low levels**
  - However new well productivity increasing
- **Average AECO/NIT gas price lowest in 9 years**
  - Economics boosted by hedging and liquids
- **Western Canada storage will finish the winter about 100 Bcf below last year**
  - Allow for an extra 500 MMcf/d gas injection this summer
- **Higher WCSB demand and exports this winter**
  - Supplied by strong storage withdrawals

# AECO/NIT Gas Prices

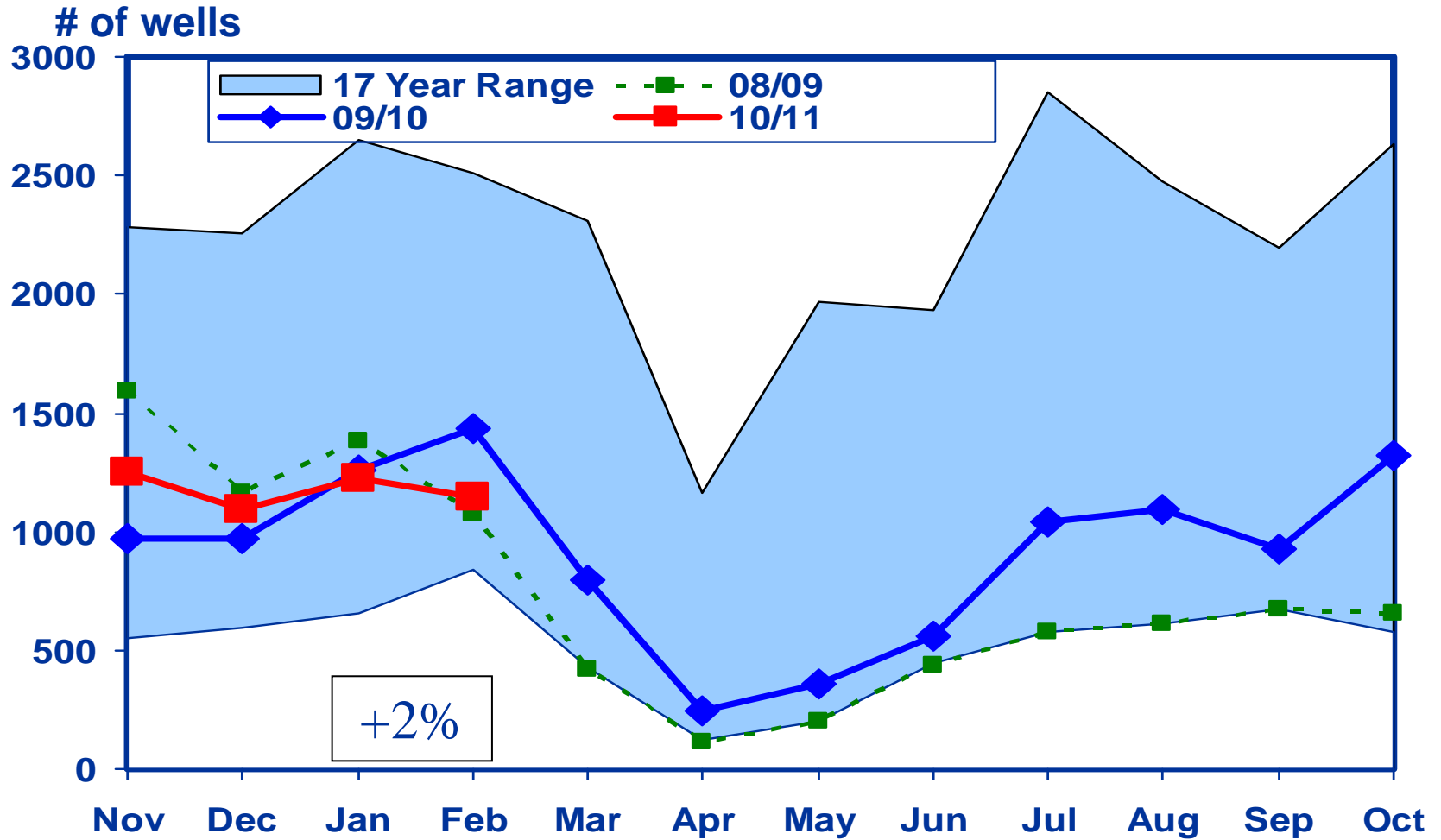
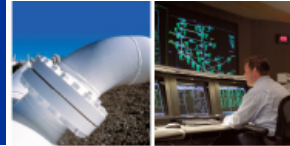


# WCSB Active Drilling Rigs

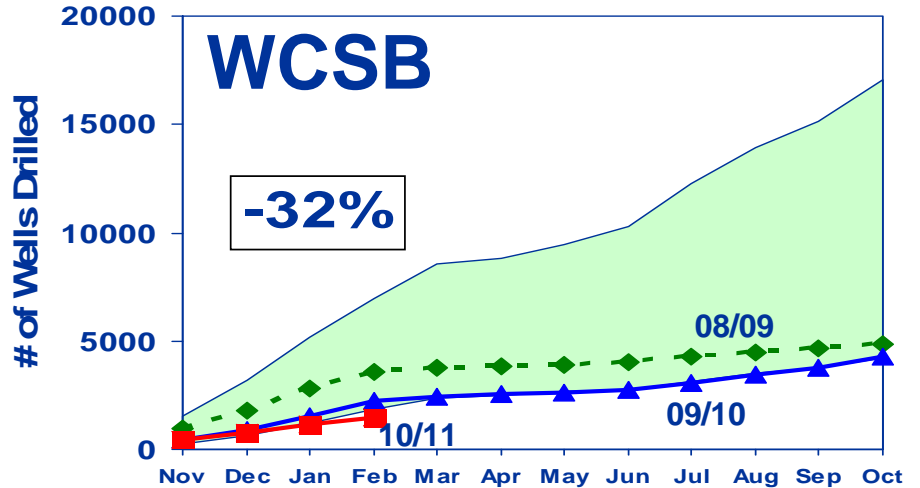
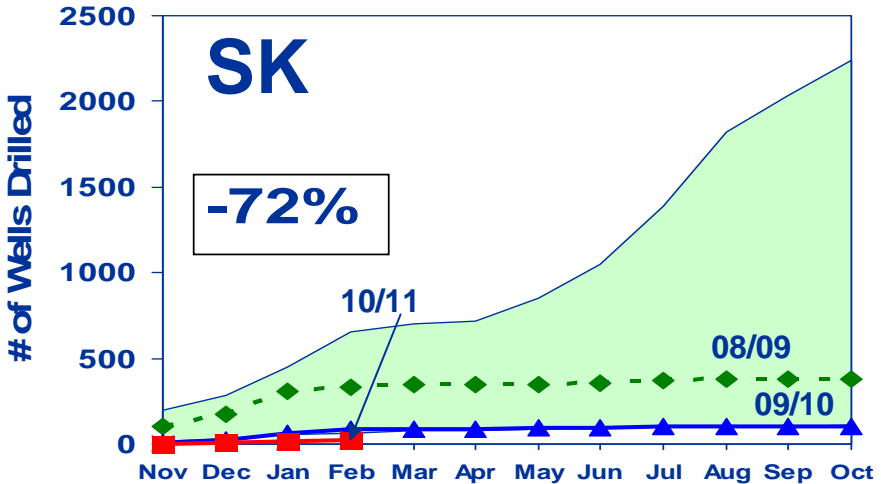
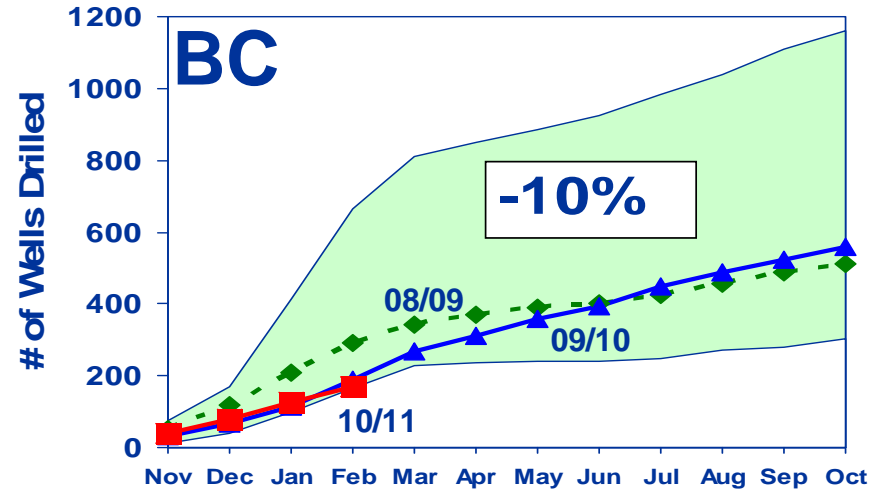
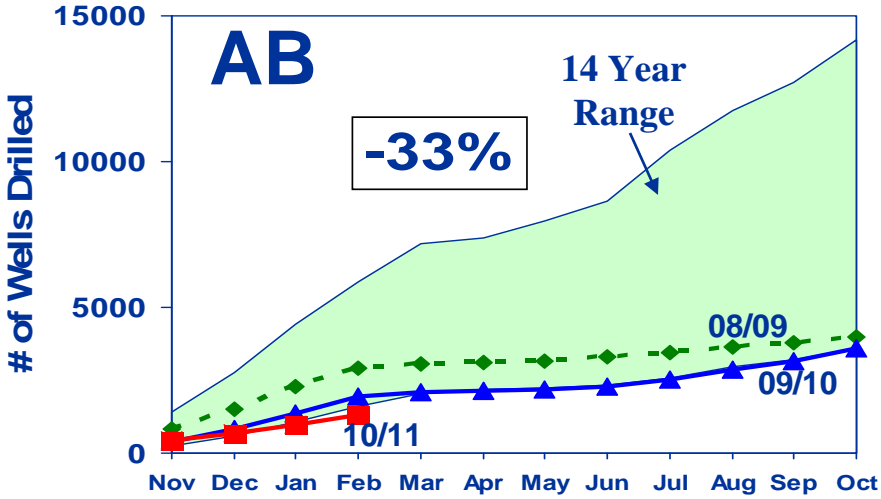


Data to Feb. 28

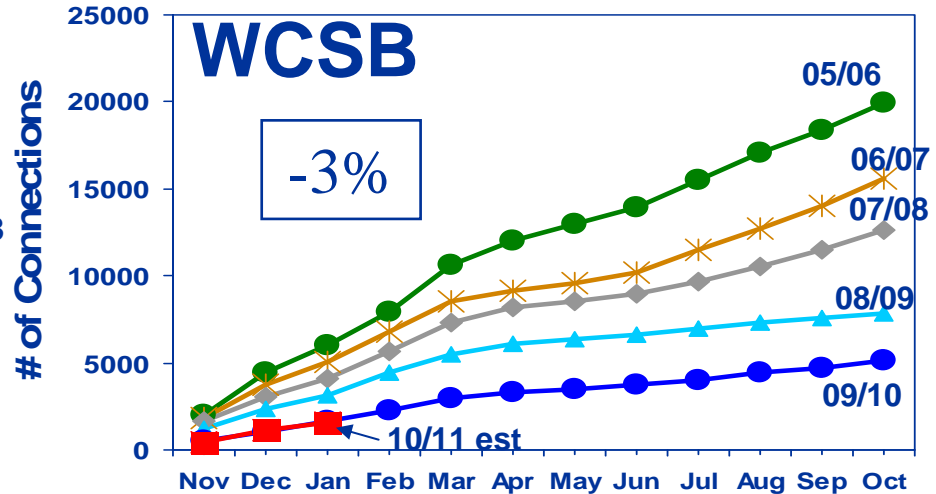
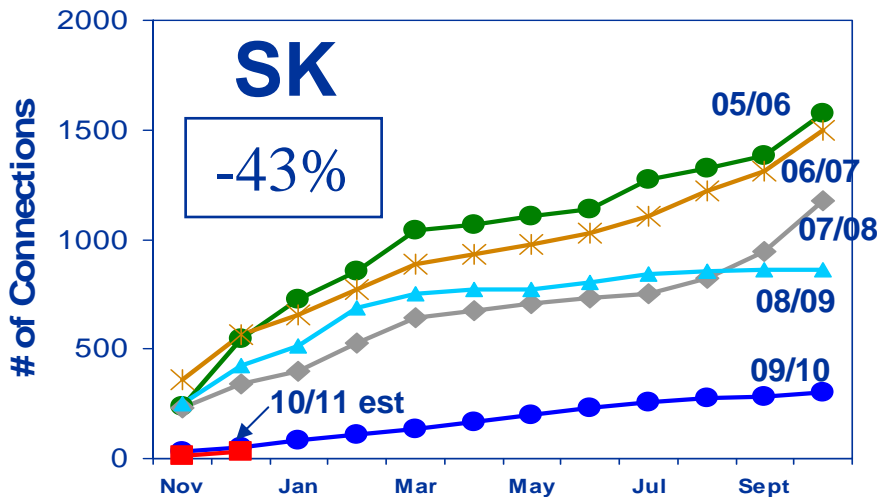
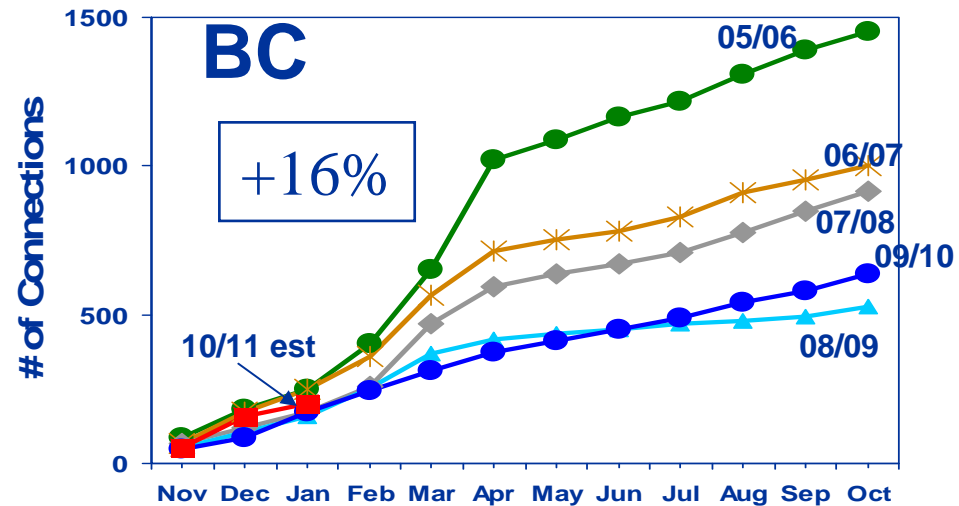
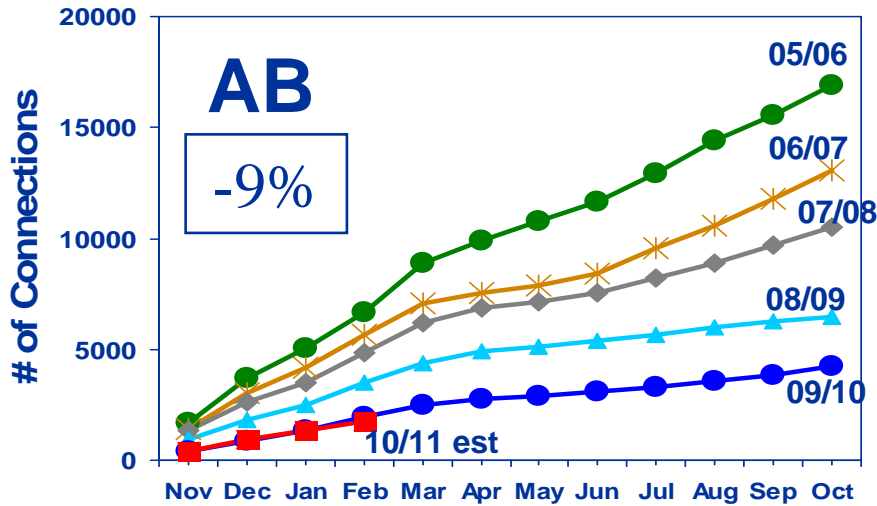
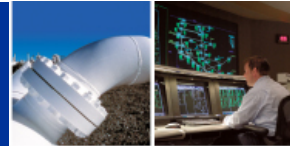
# WCSB Total Wells Drilled/Month



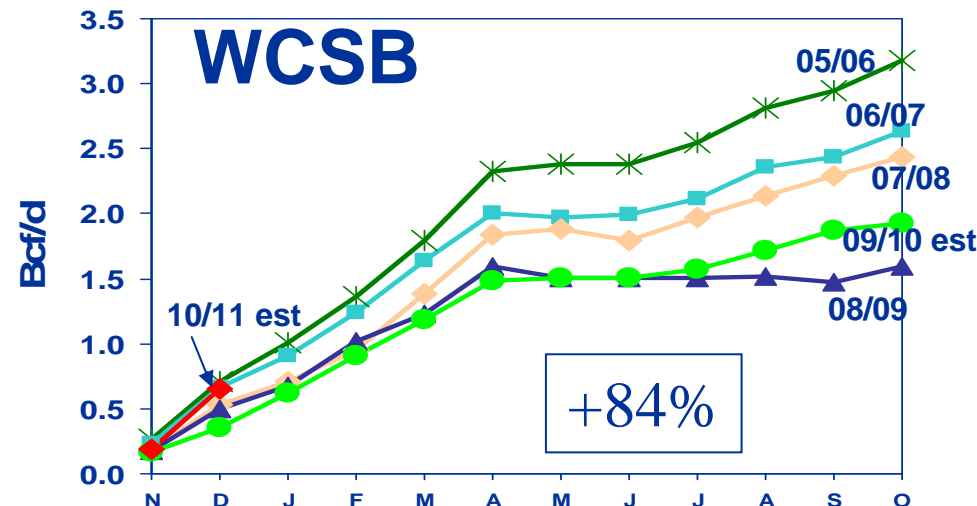
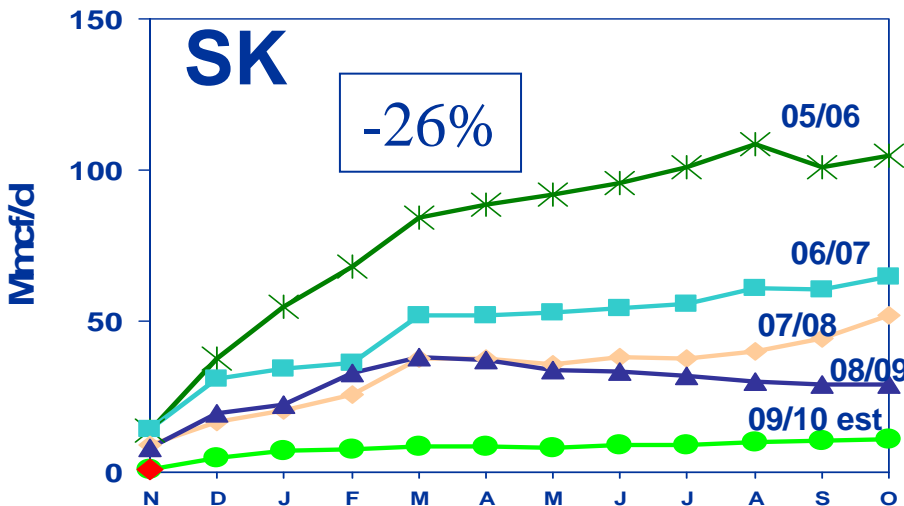
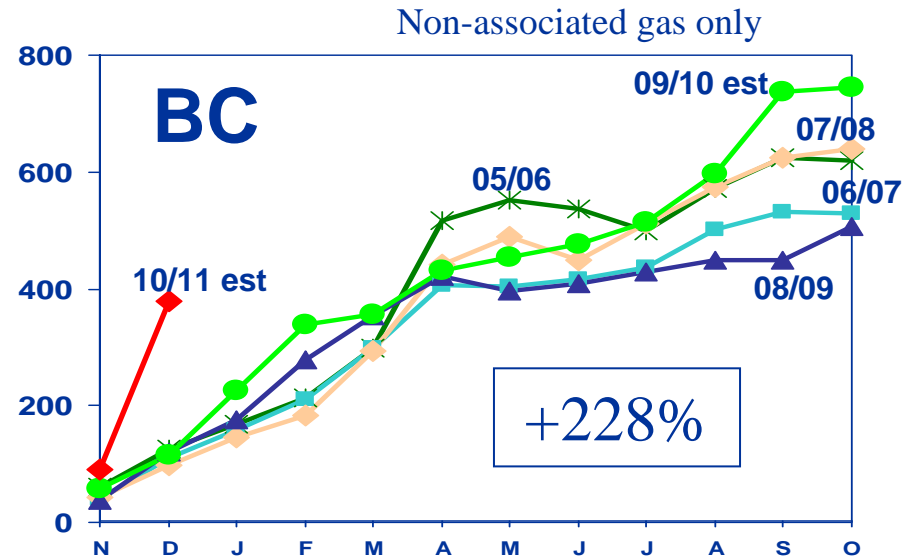
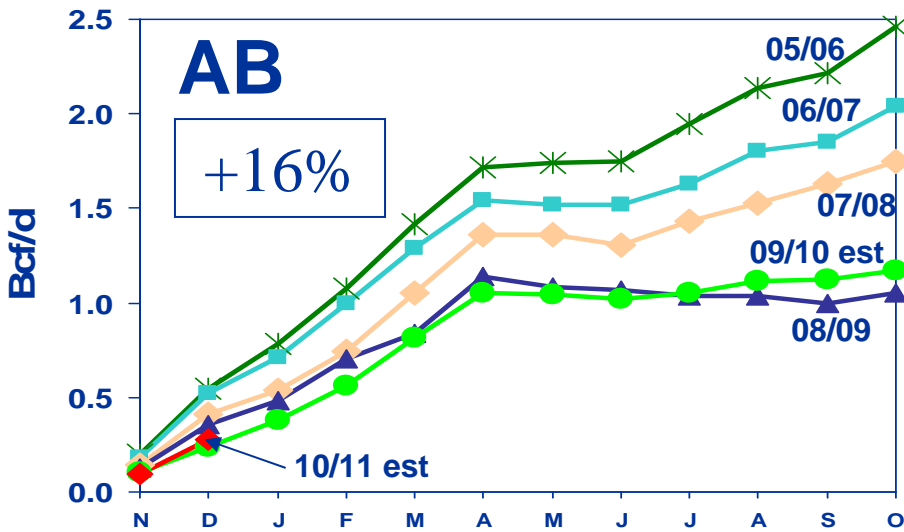
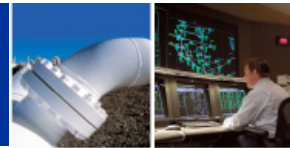
# Cumulative Gas Wells Drilled By Province



# Cumulative Gas Well Connections By Province

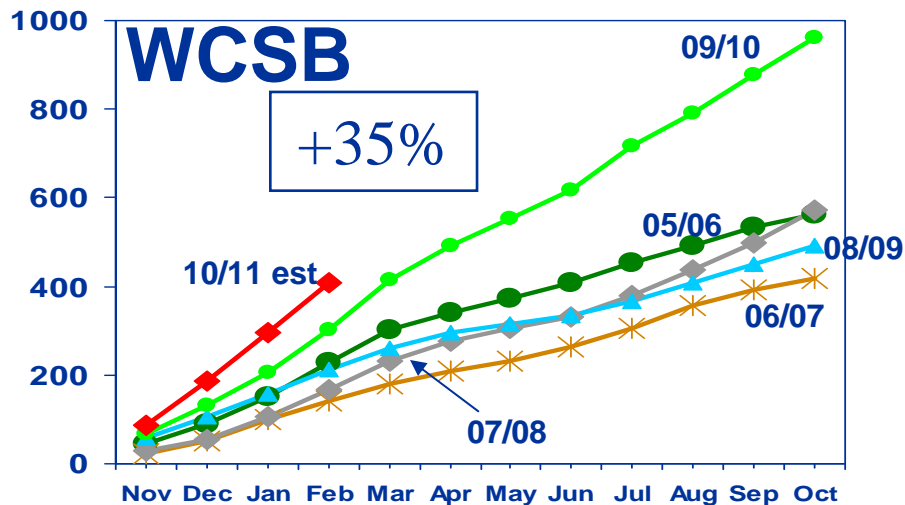
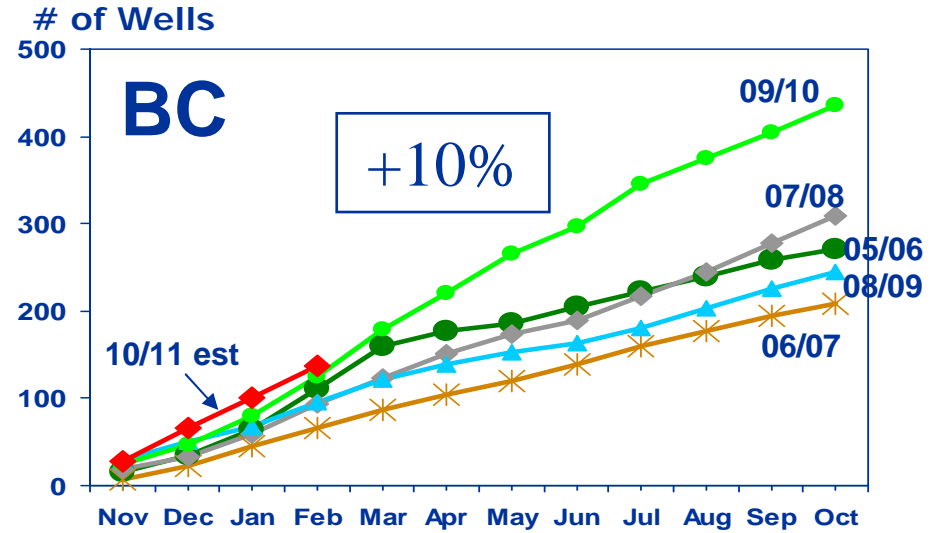
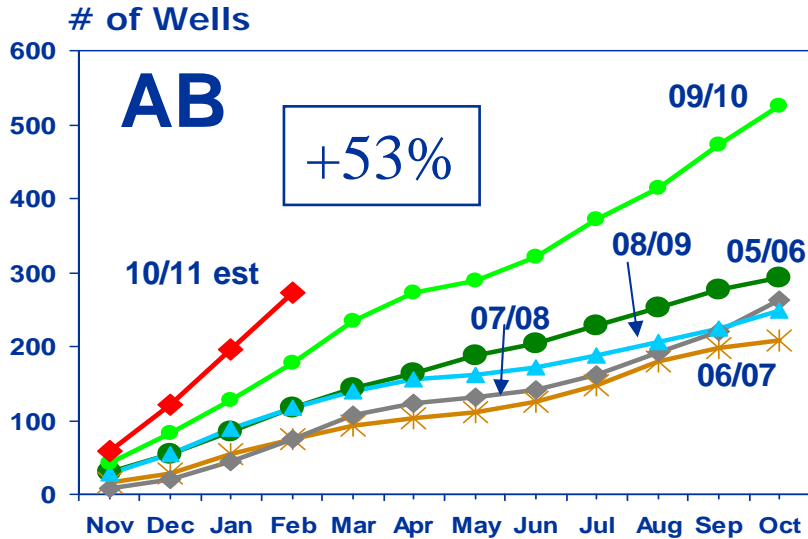
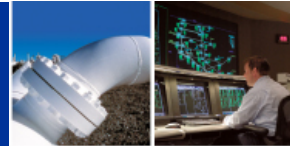


# New Tie-in Supply By Province

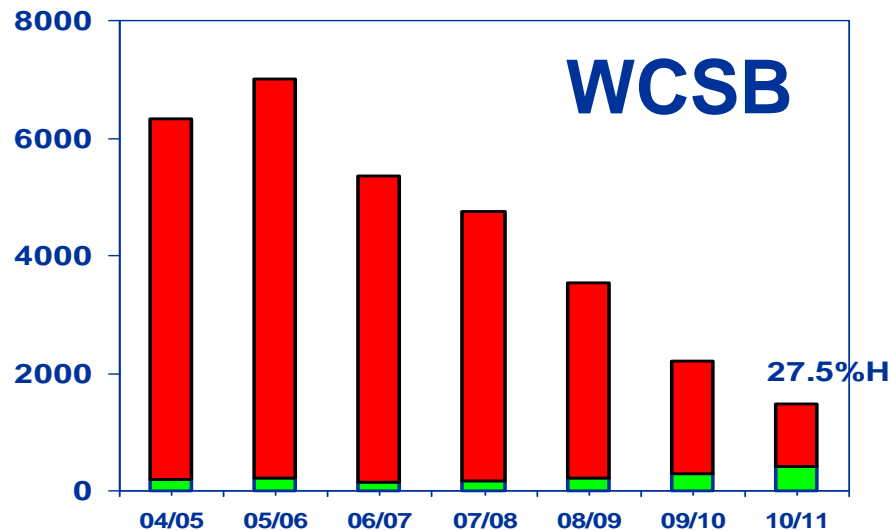
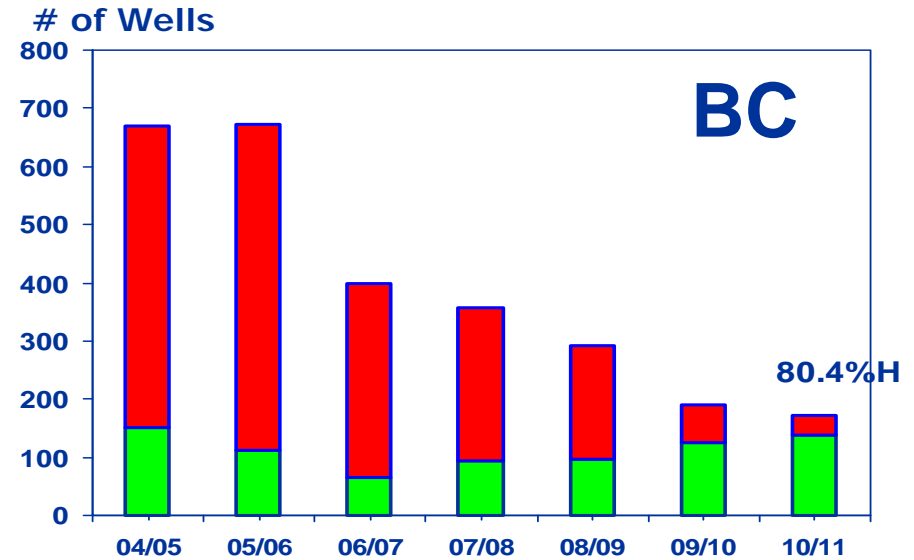
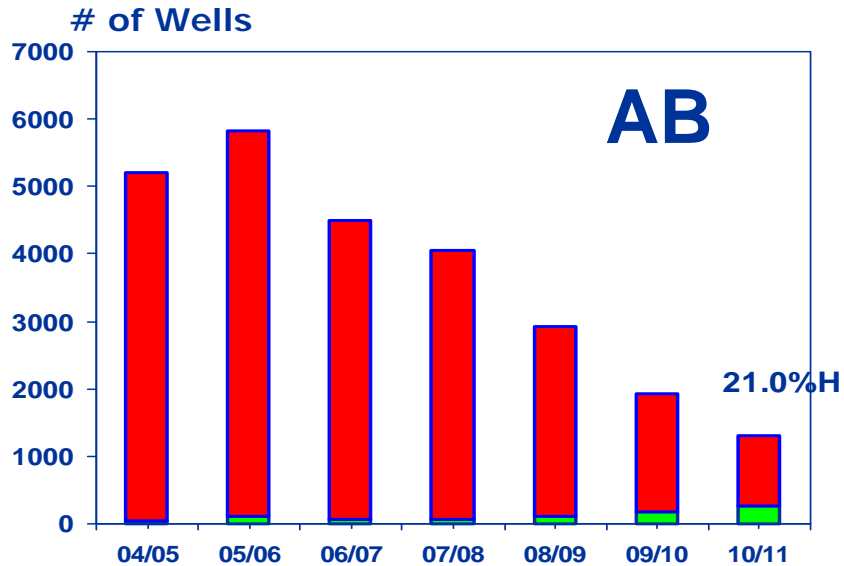
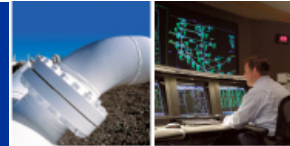


**Other factors besides activity drive new gas supply!!**

# Horizontal Gas Wells Drilled By Province

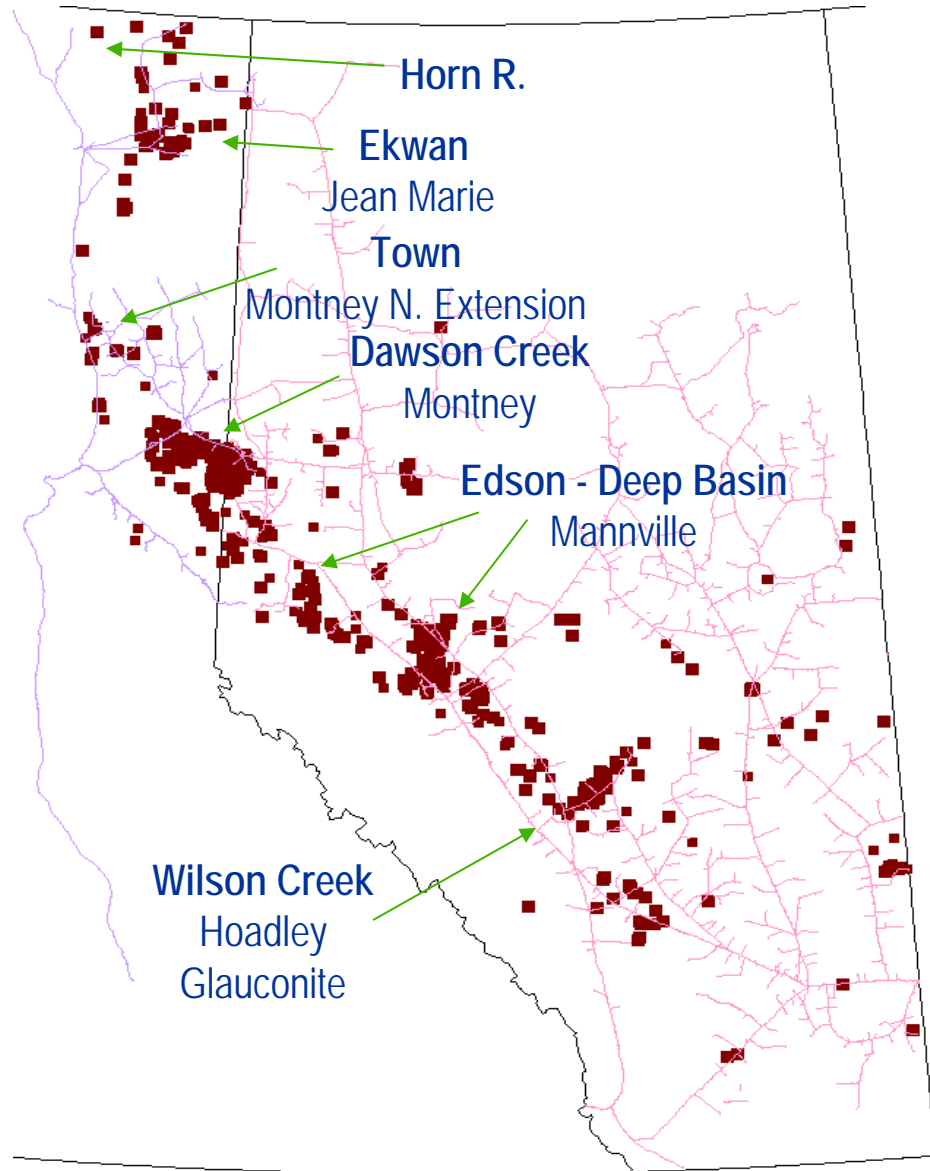


# Horizontal/Vertical Gas Wells Drilled By Province

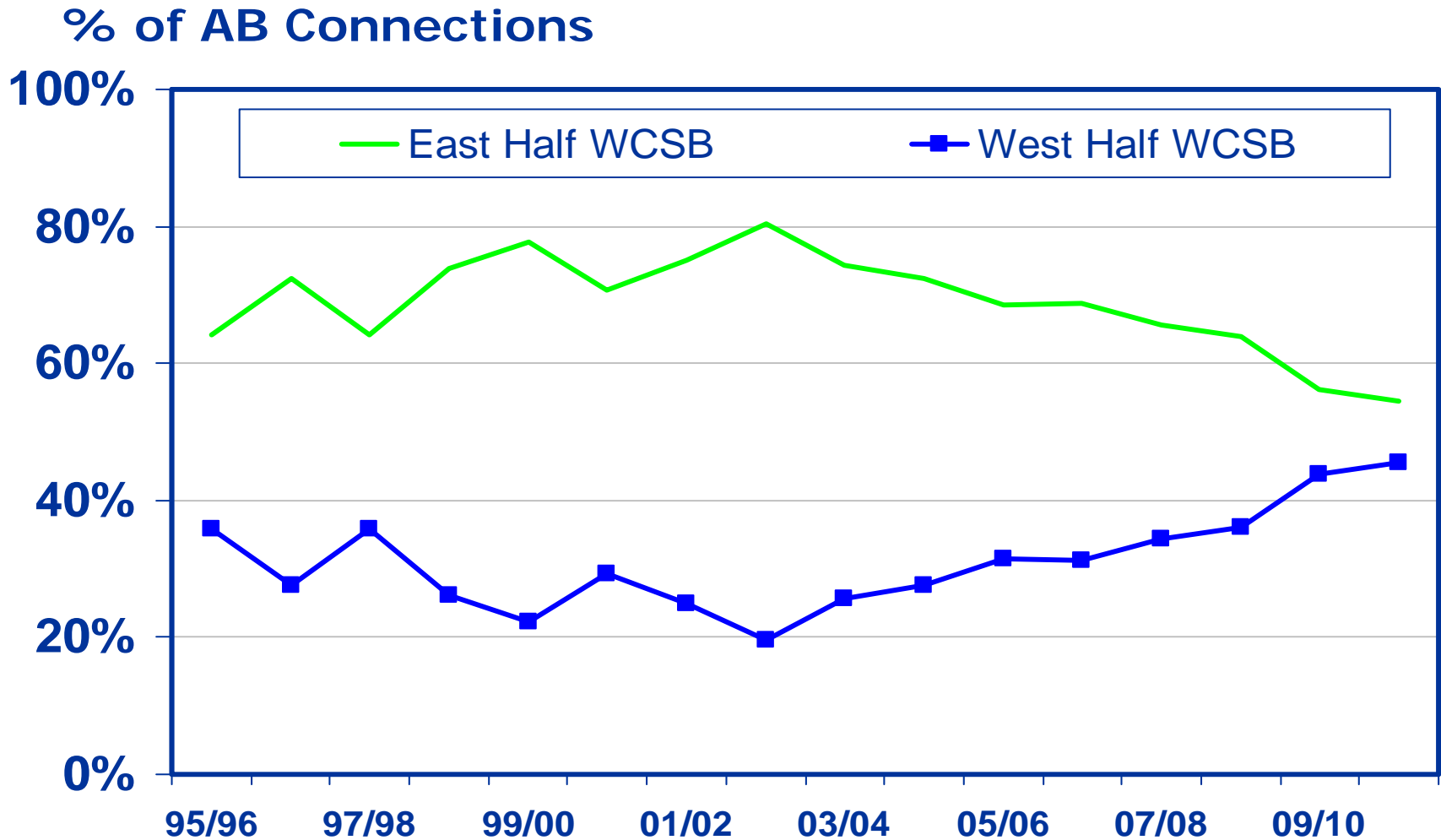
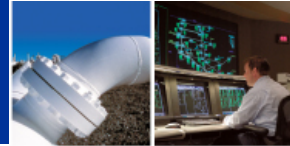


Nov – Feb  
comparison

# Horizontal Gas Well Completions (2010)

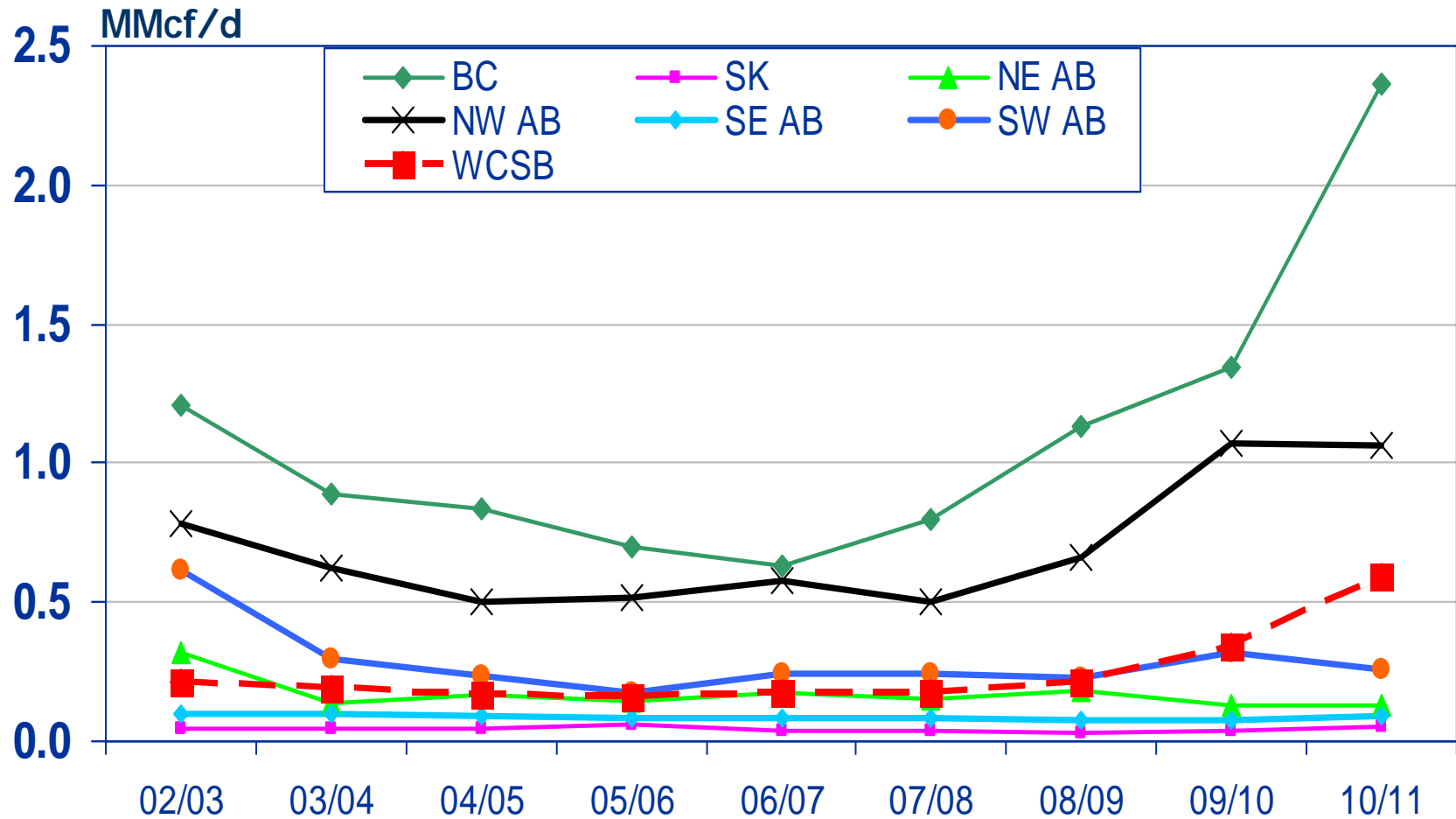
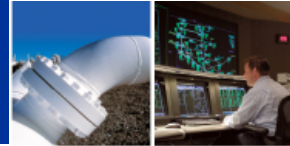


# Alberta Cumulative Gas Wells Connected By Quadrant



Nov. to Jan. comparison

# Initial Well Productivity by Region



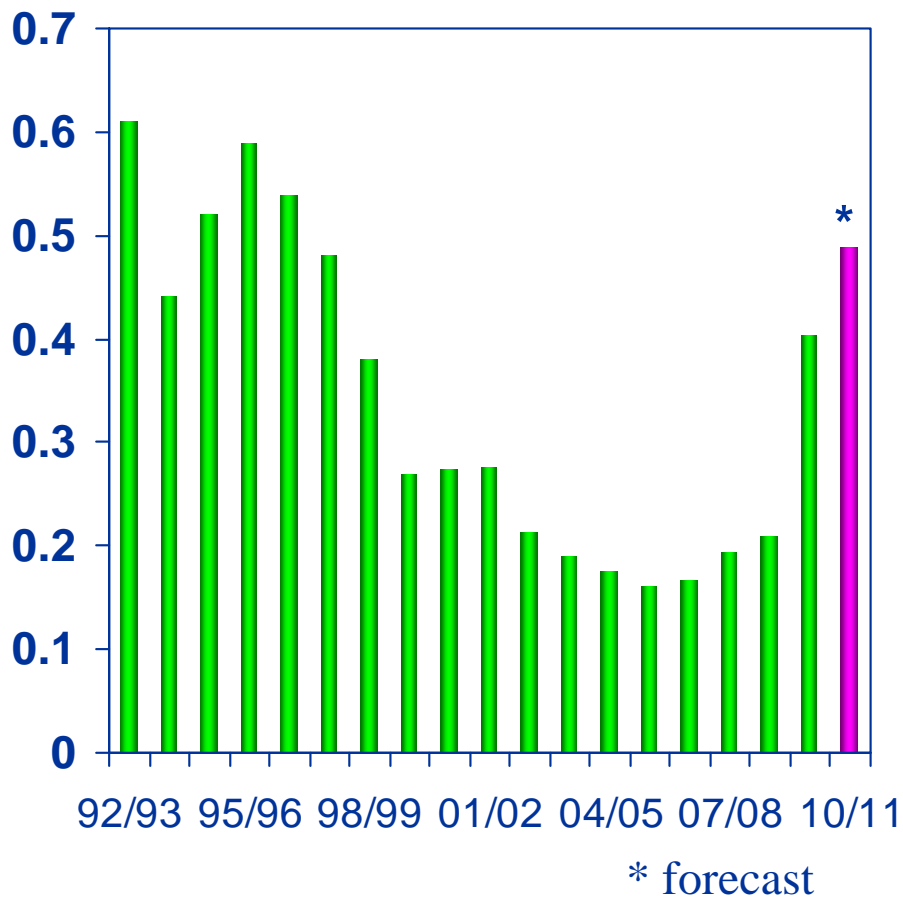
Nov. to Dec. comparison

# WCSB Initial Gas Well Production Rates/Decline Rate



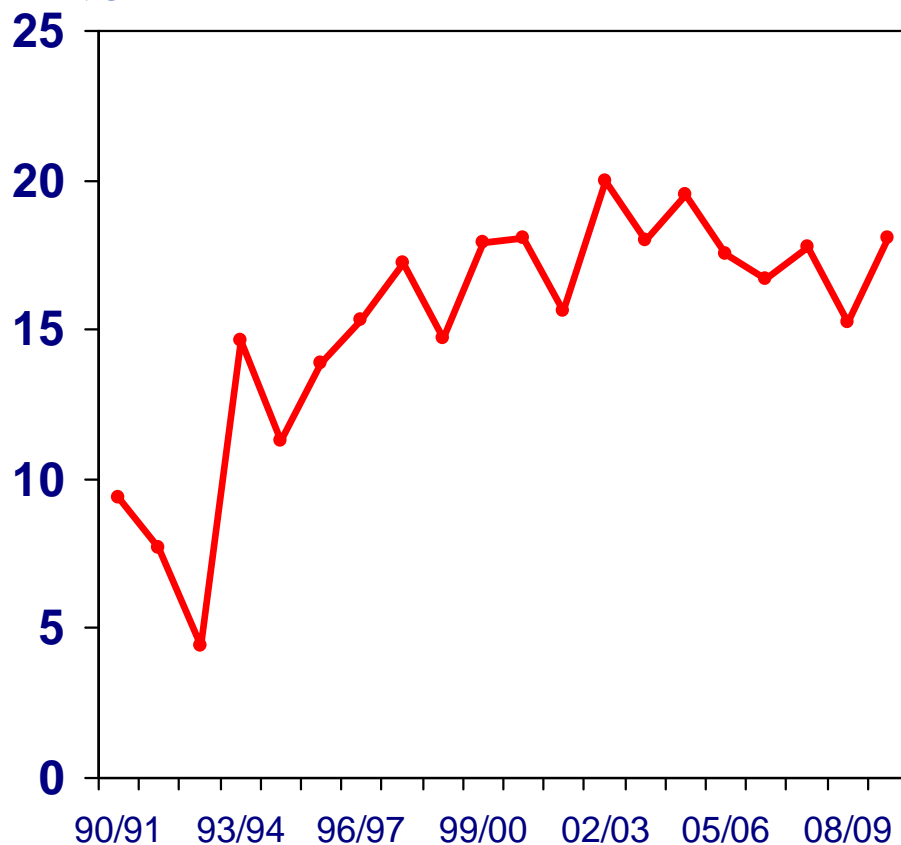
## Initial New Well Production Rate

MMcf/d/well

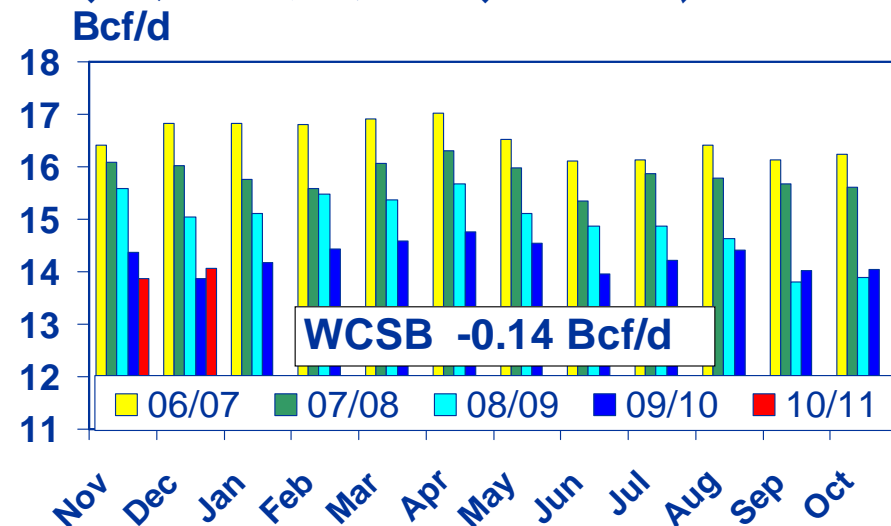
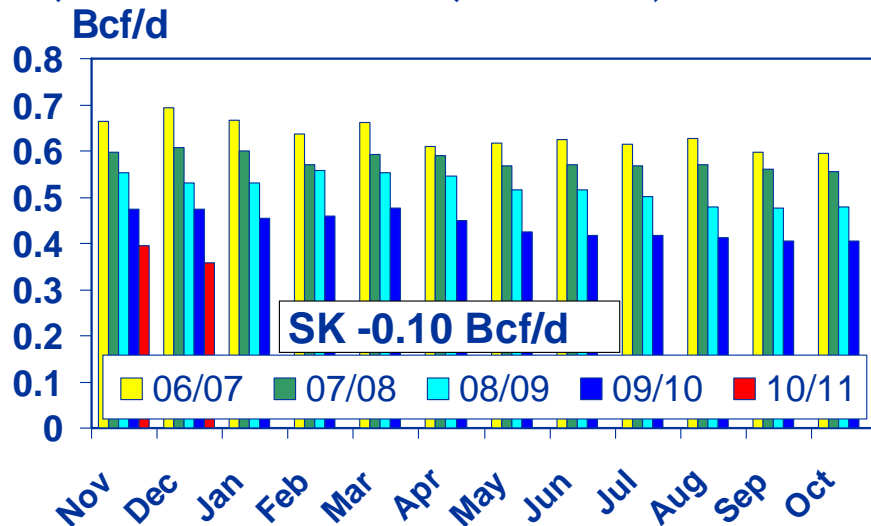
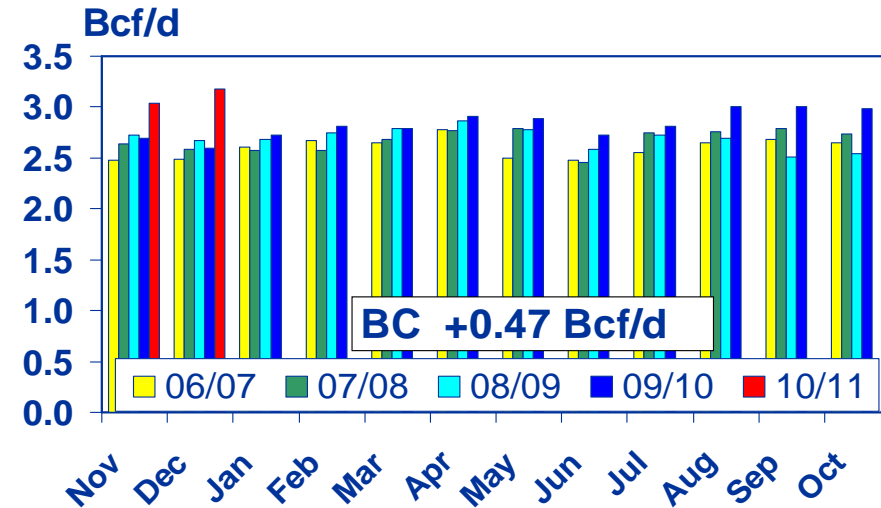
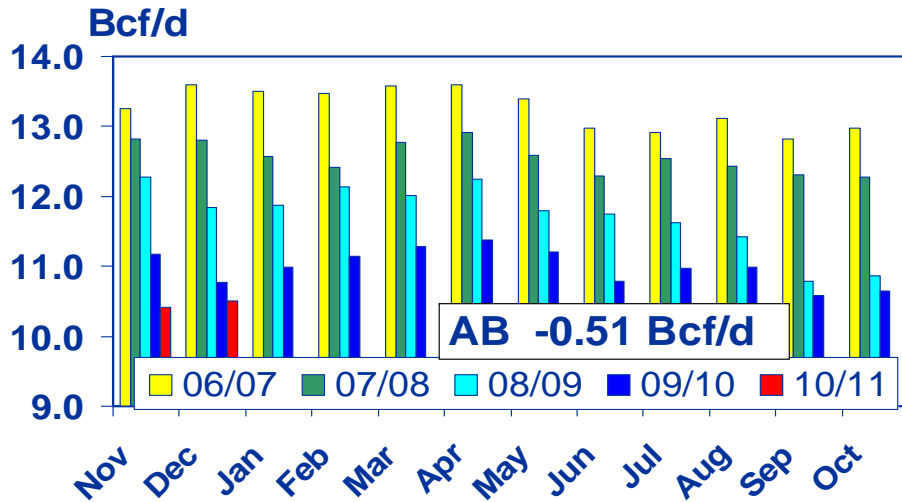
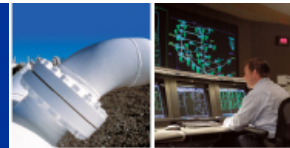


## Composite Decline Rate

%

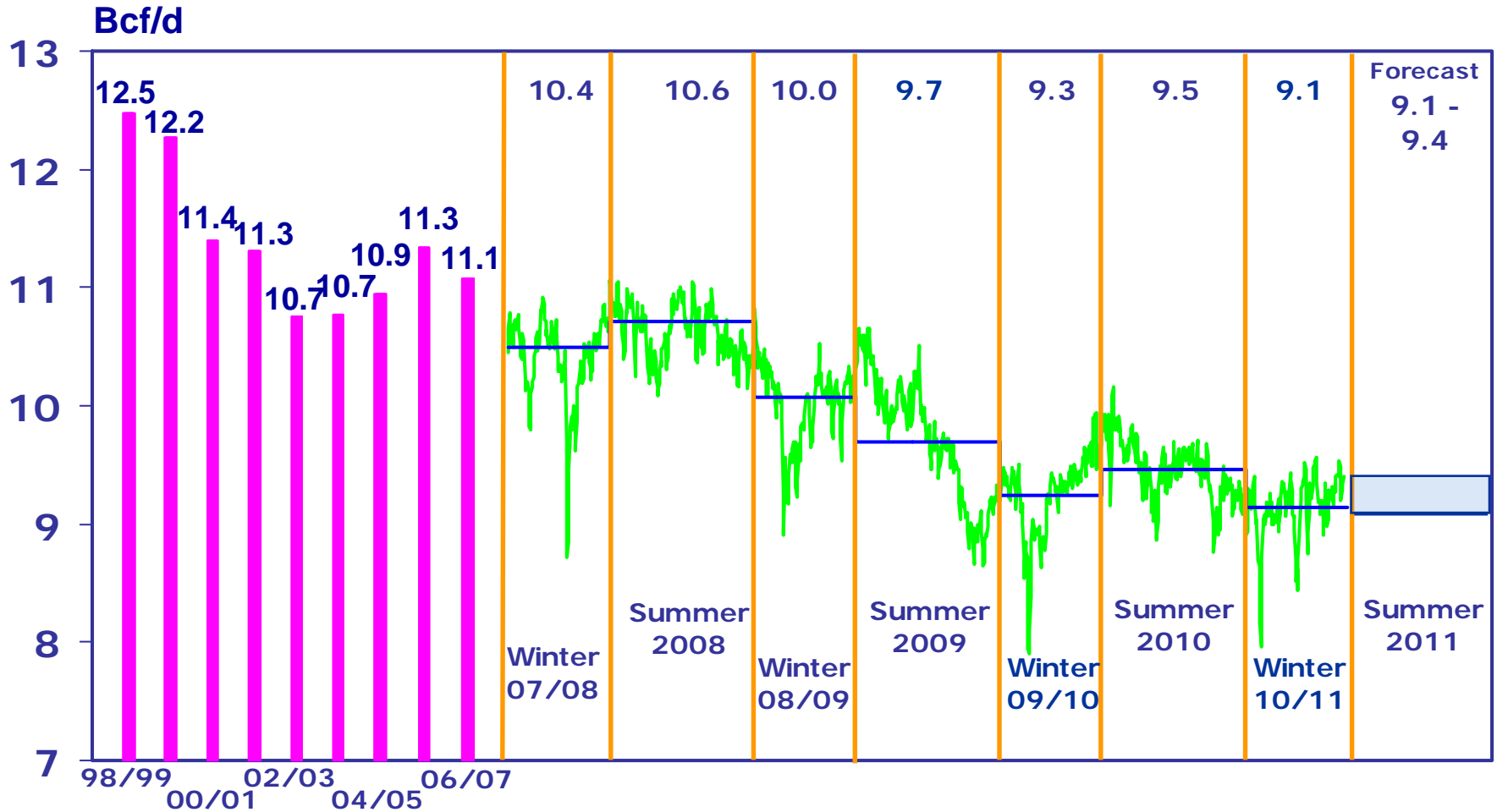


# WCSB Monthly Production



Marketable gas from Government sources, includes solution gas (some reporting lag)

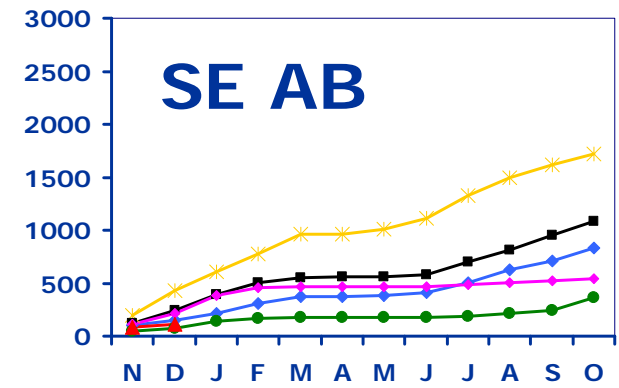
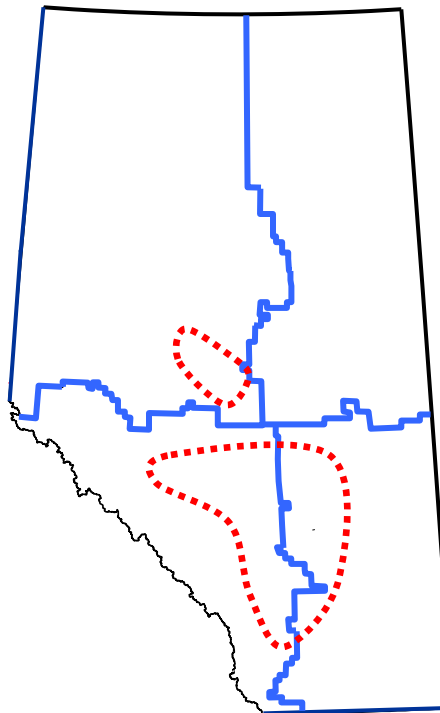
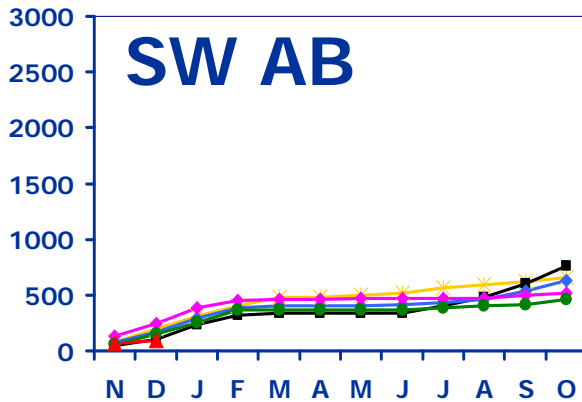
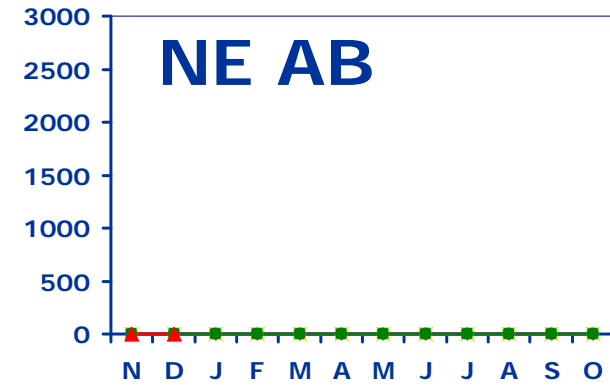
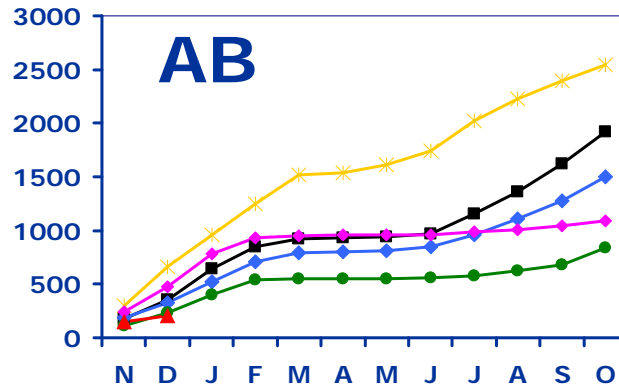
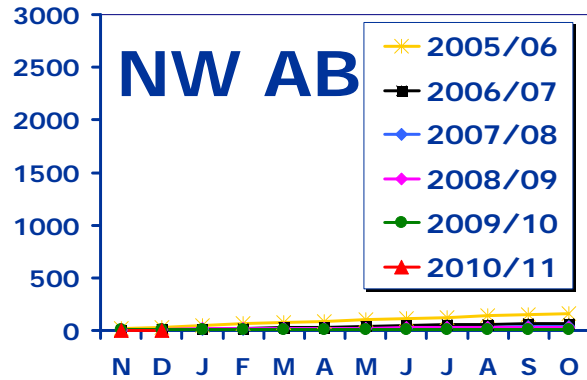
# Seasonal Flows on the Alberta System



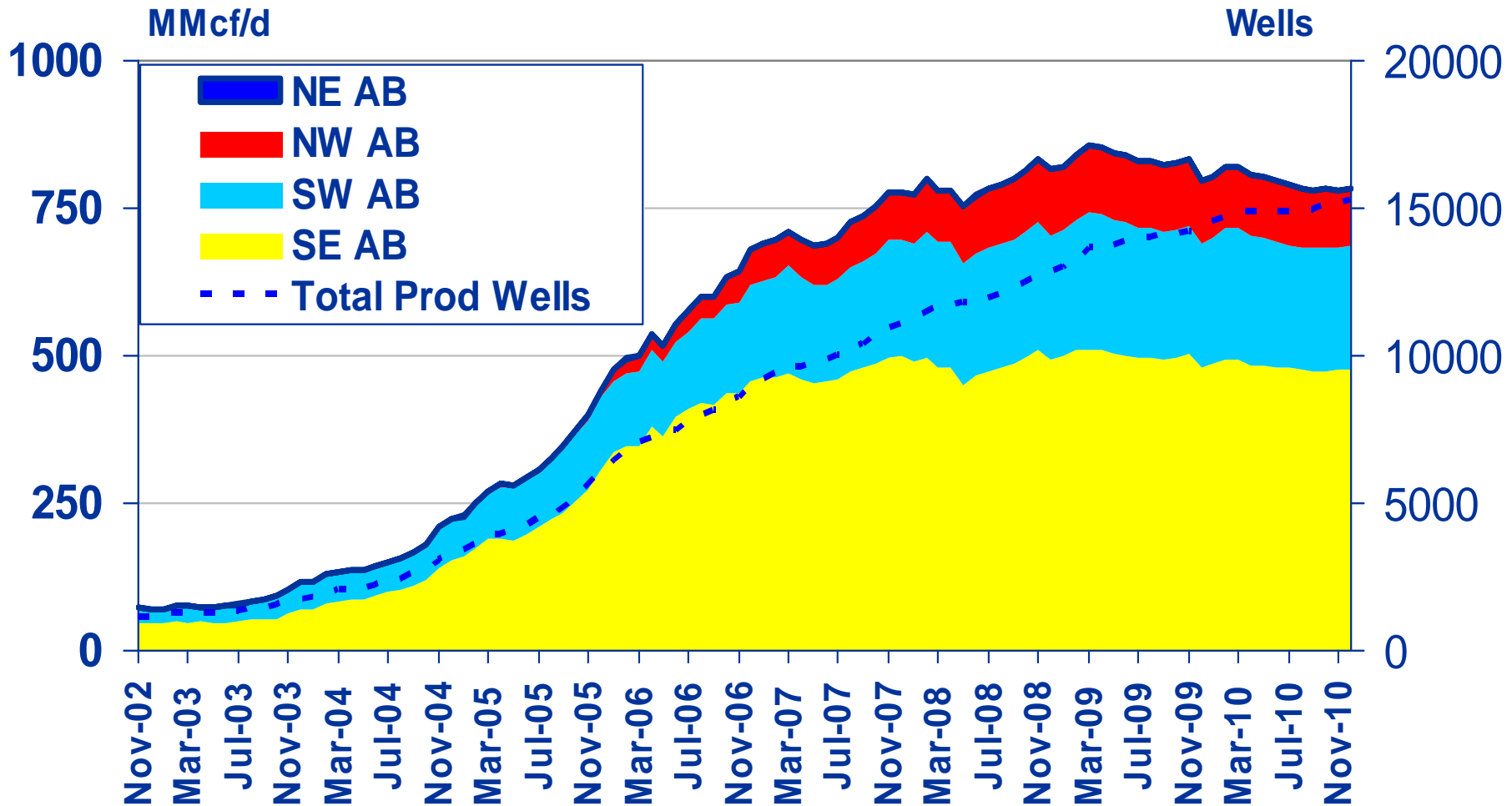
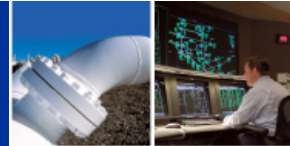
Excluding Storage

Data Current to Mar. 26, 2011

# Drilled Alberta CBM Wells By Region

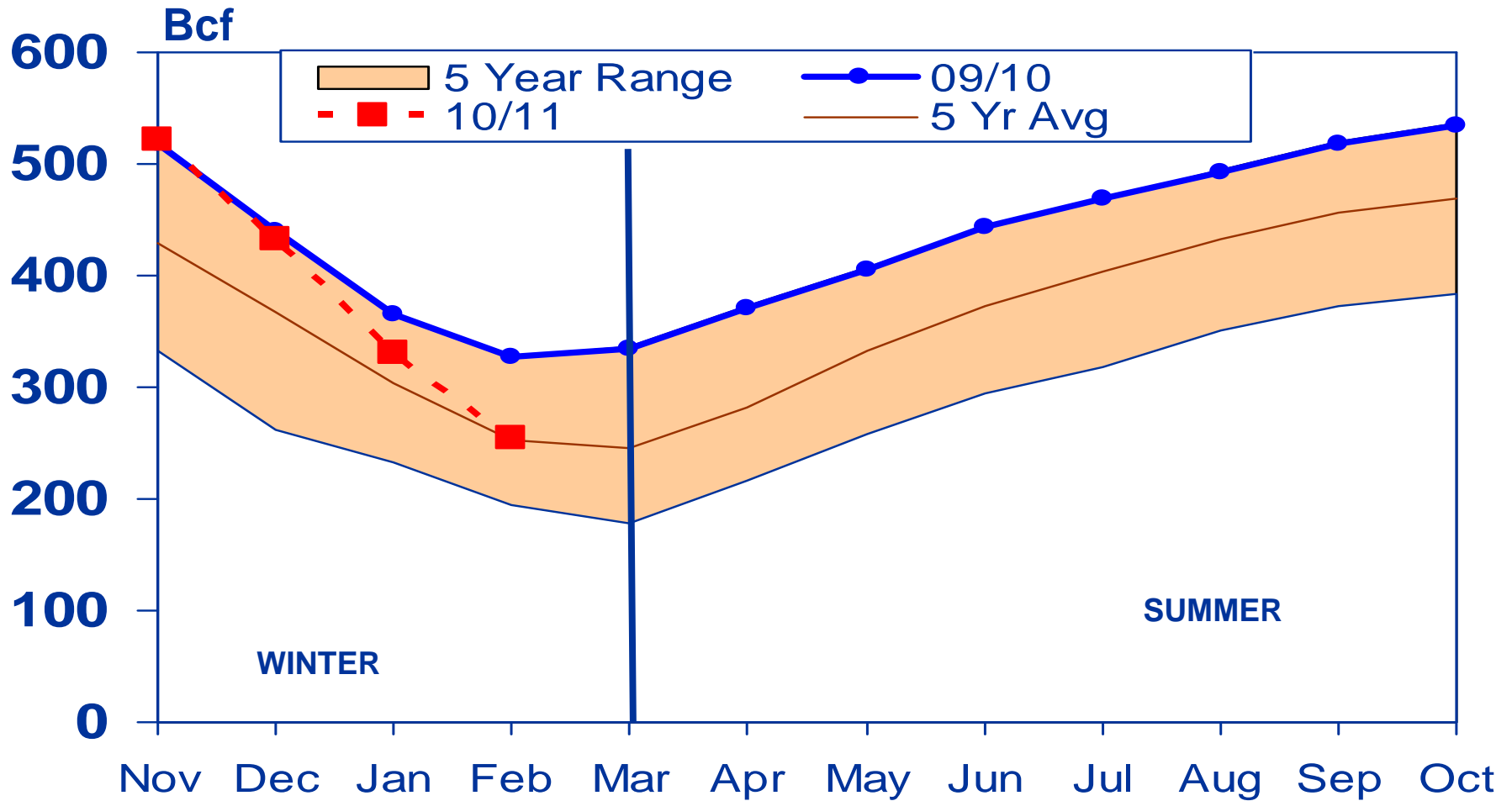


# WCSB Coalbed Methane Production



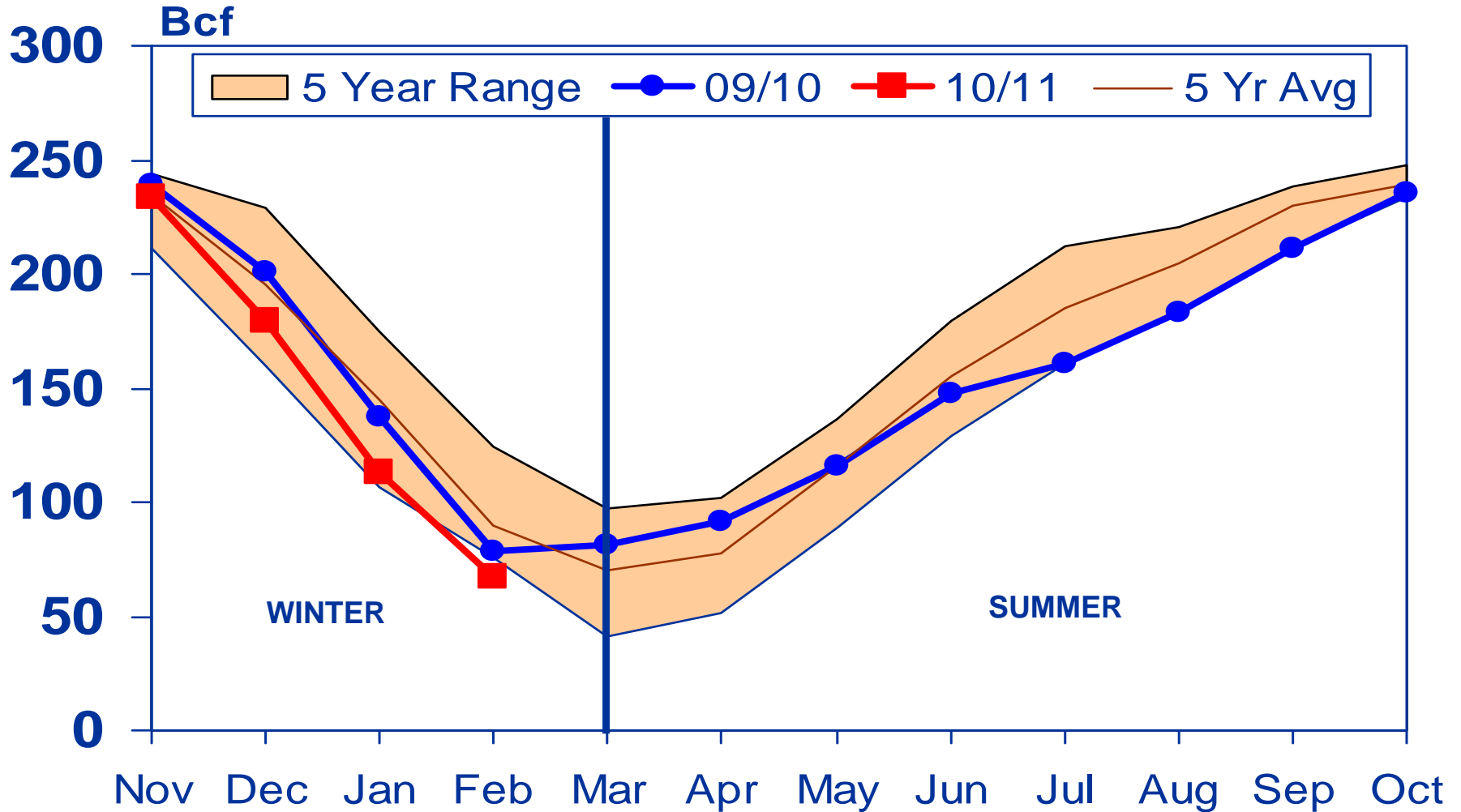
Data as of Dec. 2010

# Western Canada\* Working Gas In Storage



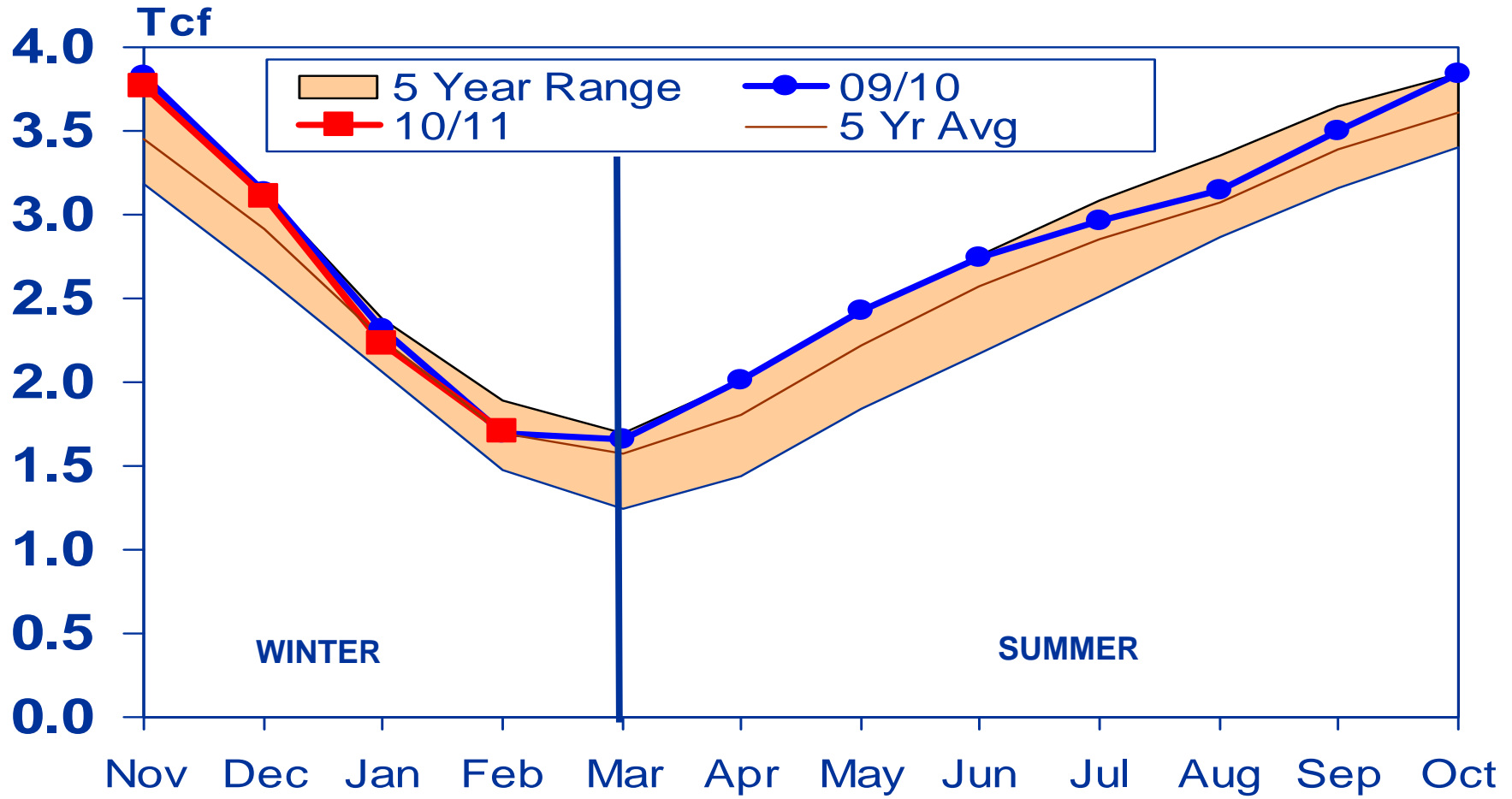
Source: BC, Sask, AB governments, TransCanada

# Eastern Canada Storage Status

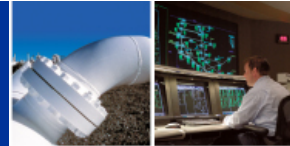


Source: Canadian Enerdata

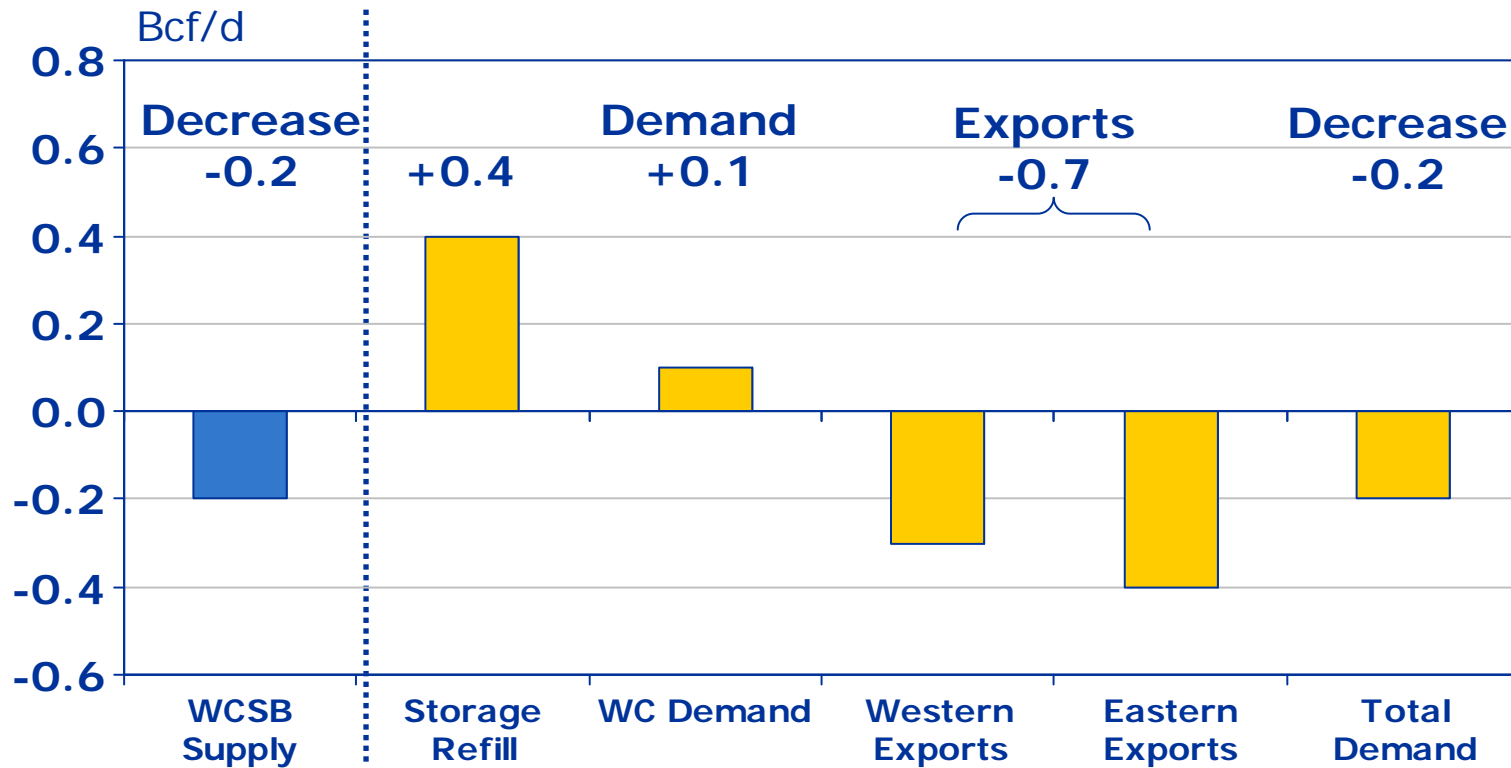
# U.S. Storage Status



Source: EIA



## Year-over-Year Changes



# Conclusions



- WCSB supply expected to decline from 0 – 300 MMcf/d in 2011.
- Higher initial well productivity (IP) will more than offset lower gas activity this summer.
- Throughput on the Alberta System is expected to average 9.1 – 9.4 Bcf/d this summer compared to 9.5 Bcf/d last summer.
- WCSB exports continue to decline this summer.
- Unconventional gas supply development will contribute to supply growth in the next few years.