

SW Sask. pumped

When Mick MacBean started Diamond Energy Services in Swift Current eight years ago, he probably wondered if he'd made the right decision.

Just as MacBean's oilfield service business was beginning, with one rig and six employees, the price of oil was down to \$12 a barrel.

Today, with oil at \$50 a barrel, the company operates 21 rigs and employs 31 workers with offices and facilities also in Medicine Hat and Red Deer, Alta.

MacBean's success mirrors the recent activity around the Swift Current area in the oil and gas industry.

"Swift Current is central to all the oil and gas in southwest Saskatchewan," MacBean says. "It's the right place to be."

In 2001, shallow gas discoveries made this part of the province a popular place to do business.

Last year, 1,644 wells were drilled in the area, a record number. This year, the number dropped slightly to 1,323 – but that's nothing to be ashamed of says the city's Director of Business Development, Marty Salberg.

Salberg said the wells are the main reason companies such as Diamond Energy and Sanjel Corporation are experiencing growth. Big business has a positive ripple affect on the rest of the community.

"When you get increased employment, you have new people, new families move into the city," he said. "You have more families, you have more kids in schools...it's kind of an ongoing chain of events that happens that wouldn't happen if you didn't have that activity."

Salberg said the city focuses on providing reasonably priced industrial property, tax incentives for new construction on businesses and a sizeable labour pool.

Changes to the provincial tax and royalty regime in 2002 have attracted new

investment say members of the department of Industry and Resources.

Bruce Wilson, assistant deputy minister in the petroleum and gas division, said the reduction in corporation capital tax for new drilling has made Saskatchewan more competitive. Especially in comparison to Alberta, which has no capital taxes.

"I think the industry is sort of going flat out trying to do as much as they can," Wilson said.

Wilson said industry representatives have relayed the message that the supply of rigs and manpower seems to be at its maximum.

The total number of wells drilled in the province dropped from 3,393 last year to 2,942 up to Mid-October of this year.

Wilson attributed the drop to a wet season with early snowfall.

"Nevertheless it will still put us certainly as one of the better overall drilling years in history, so it's been quite positive," he said.

For MacBean and Diamond Energy, the future looks hopeful.

"The development of natural gas is really the icing on the cake for the Swift Current area," he said. "It represents such a large growth area for this corner of the province."

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