

# Saskatchewan's Oil and Gas Supply Chain



Oil and gas is one of Saskatchewan's leading industries.

In 2017, the combined value of oil and gas production was over \$9.2 billion.

## Our Oil and Gas Industry

Saskatchewan has a wealth of natural resources with oil and gas being one of the leading industries. The province is the second-largest oil-producing jurisdiction in Canada and sixth-largest onshore oil-producing jurisdiction in Canada and the United States, behind Texas, Alberta, North Dakota, California and Alaska, and accounts for 12% of total Canadian oil production.

Improvements to horizontal oil well drilling and completion techniques have greatly improved production in the last several years. Currently, approximately 12% of the 56 billion barrels of oil in-place is recoverable based on current and expected conditions, implying excellent potential for the development of supply chain opportunities and new technologies. Opportunities exist in shale gas located in central and east-central Saskatchewan along with an estimated 2.7 million hectares of oil sands potential adjacent to the massive Athabasca deposit.

Saskatchewan is the third-largest natural gas-producing province in Canada with 188.3 billion cubic feet of gas produced in 2017, and remaining recoverable reserves of 1.8 trillion cubic feet.

### Fast Facts

- Oil Wells drilled (2017): 2,520, of which 2,181 are horizontal
- GDP (2016): oil and gas contributed 14.5% to Saskatchewan's GDP
- Reserve (Oil in Place): 56 billion barrels; approximately 12% is recoverable based on current market conditions
- Exploration and development expenditures (2017 estimate): \$4.8 billion
- Crude oil refining capacity: 109,000 barrels per day
- Heavy crude oil upgrading capacity: 137,000 barrels per day

# Top 10 Oil and Gas Companies Operating in Saskatchewan (2017)

## Oil Producers

- Crescent Point Energy
- Husky Energy
- Teine energy
- Whitecap Resources
- Canadian Natural Resources
- Cenovus Energy
- Raging River Exploration
- Spartan Energy Corporation
- Cona Resources
- Torc Oil and Gas Ltd.

## Gas Producers

- Crescent Point Energy
- Canadian Natural Resources
- Husky Energy
- Teine Energy
- Whitecap Resources
- Spartan Energy
- Pine Cliff Energy
- Tamarack Acquisition
- Abbey Resources Corp
- Raging River Exploration

## General List of Goods and Services Required

- Drilling rigs
- Pump jacks
- Casings
- Tubings
- Oil and gas separators
- Heater-Treaters
- Storage tanks and bullets
- Pressure vessels
- Custom Machining fabrication and maintenance services
- Remanufacturing and repair services
- Waste management services
- Industrial piping systems
- Surface rigs
- Drill pipes

An extensive list of goods and services required to support the oil and gas sector can be found in the [Saskatchewan Oil and Gas Supply Chain Requirement Guide](#).

## Current Trends and Activities

Since mid-2014, there has been an increase in global oil production that has resulted in a significant decline in the price of crude oil. The decline has resulted in many production companies reducing capital expenditure budgets, including drilling budgets. While the demand for goods and services related to capital projects has decreased, there continues to be a demand for goods and services required for operations.

In the current environment, producers will need to keep equipment in service for longer before replacement. Therefore, it is expected that there will be increased demand for suppliers providing maintenance and rehabilitation services for material components.

Current market conditions have increased competition among suppliers however; opportunities continue to exist for suppliers offering goods or services related to technology or innovation that will increase the production capacity or efficiency of a well.

## Potential areas of entry in the oil and gas supply chain

Potential supply chain opportunities exist throughout the oil and gas life cycle, examples of typical goods and services are grouped below.

### Opportunities Requiring Moderate Investment and Training:

- Coiled tubing units
- Small filters and other small assemblies
- Hydrovac trucks; hydroexcavator, custom vac hydrovac
- Pumping equipment both installation and startup; decanter centrifuges, submersible pumps

### Opportunities Requiring Significant Capital:

- Maintenance, tooling, repair, retrofit
- Equipment rentals, loaders, dozers, trucking, hauling
- Remanufactured wellhead equipment
- Valve installations, service and instrumentations solutions

## Opportunities Requiring Large Capital Investment, Specialized Knowledge and Equipment

- Service rigs
- Oil and storage tank fabrication; horizontal double wall tanks, free fracture sand storage, rig mud and storage tanks
- Surface equipment rentals
- Equipment fabrication; manufacturing or assembly of separator units, compressors packages and pump assemblies

Significant work will be required by both existing and new suppliers, to determine the best opportunities and approach for their particular businesses.

Detailed information is documented in the [Saskatchewan Oil & Gas Supply Chain Requirement Guide](#).

## Events and Resources

### Oil and Gas Supply Chain Forum

The Ministry of Trade and Export Development, together with the Saskatchewan Industrial and Mining Suppliers Association (SIMSA), co-ordinates the Oil and Gas Supply Chain Forum, which brings together producers and suppliers to discuss industry opportunities, issues and outlook. To register and review event details, visit [SIMSA](#).

### Saskatchewan Oil and Gas Supply Chain Requirement Guide

This resource document provides key information to Saskatchewan manufacturers and suppliers that will aid in the understanding the province's oil and gas industry, goods and service opportunities and potential areas of market entry. The resource material also provides insight into potential hurdles and best practices for suppliers.

### Additional Industry and Business Resources

For additional information, please visit: [saskatchewan.ca/invest](http://saskatchewan.ca/invest).

## Services We Provide

- Business-to-business support connecting companies to potential suppliers and or partners
- Provide various information and support to companies interested in investing in Saskatchewan
- Organize targeted industry events to link companies to current supply chain opportunities
- Provide information on the business community and oil and gas industry
- Provide information regarding general supply chain opportunities in the oil and gas sector
- Resources on how to start a business in Saskatchewan via [BizPaL](#)

## For more information, contact:

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