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# CHINOOK ENVIRO-TIMES

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**Bringing industry news, views and discussions to you on a monthly basis from the Environmental Service Industry. Please forward a copy of this to anyone that might have an interest in these articles, or might want a FREE subscription.**

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## *“Fair Market Value”*

The explosive growth of 2006 in the oil & gas industry of Western Canada led to a lot of unique circumstances when it comes to market prices. Very unheard of, request for a supply, service or worker had an initial question back as to “How much are you willing to pay”. With manpower and equipment in short supply, market value of supplies or services were in the hands of the other side of the table; a rare turnabout from managers making the decision. Such is the laws of supply and demand.

Business is full of decisions every day. And good managers make the right decisions on a daily basis. When that power is refused of them, wrong decisions happen and bad business happens; often leading to business failure.

The Environmental Service Industry faces similar challenges like finding qualified manpower, testing and treatment materials. More recognizable, they are required to be accountable for prices set for **Landspraying Fees, Water Access Fees,** and associated services; which all increased just as other fees in the oil patch.

It is common to begin a project in an area like Provost, Alberta and pay \$2,500 for water access and \$1000 for landspreading, and then go 100 miles to the east (Kerrobert) and pay HALF that amount. Seems unfair, but with proper communication between interested parties, standard prices can be set. Each area ascertains its *Fair Market Value* for anything.

Do the rising rates have a maximum, or do they just continue to rise? A common argument that can be made with landowners is that the economics will eventually limit the cap on market value. When other alternatives arise that are cheaper (dewatering, sump-mix-off, on-site water wells), landowners go from seeing.... (cont'd)



## **Chinook Environmental Services Ltd. true to its C.O.R.**

After almost a year of hard, dedicated and detailed work, Chinook Environmental Services Ltd. has officially received its **Certificate Of Recognition (COR)**. The Partnerships Program, directed by Alberta Human Resources and Employment, has Enform serving as the Certifying Partner. What advantages does the program offer to CESL (or industry in general)?

- It Provided assistance in development, implementation and evaluation of health and safety programs specific to our needs.
- It made provisions for on-going collaboration among stakeholders, including sharing of information and expertise surrounding “best practices”
- It promoted involvement of CESL, contractors and organizations.
- It heightened the awareness of workplace health and safety and its importance.

Staff and management are very excited about the new safety program and certification. It will open opportunities for new contracts that have a demand for COR from their contractors. Even with the extra paperwork in the field and office documentation required, staff is not the least bit hesitant to co-operate. They understand the importance of safety procedures and that ultimately, it is in their own best interest to follow along. Additionally, their WCB Premiums will be significantly reduced.

Do your current contractors and sub-contractors have the COR listed as a requirement? How could NOT having the COR requirement have implementations on you? Liabilities abound in the event of an accident, and may result in legal and financial action upon the individuals involved, contractors, subcontractors, clients, and even corporate executives! Feel free to contact **ENFORM** to get more information how the COR can limit the liabilities for you and your company.

## “Fair Market Value” - cont’d

... big bucks to none at all.

Can the *Fair Market Value* be re-written? Possibly. The industry has already taken steps to change that with a decrease in activity. In a move towards “fairness”, a group of landowners around the Lomond area have gotten together and written a plan or arrangement towards what can be expected for prices on water access and landspraying fees. Wouldn’t that be great if there was a schedule across the entire province?

Time is a big factor to encourage people to adjust their ‘fair market value’. Additionally, Chinook Environmental Services has a few other fiscally-responsible procedures to help adjust *Fair Market Values* on particular projects.

Keeping in mind all above, landowner relations are very important to consider. When a pipeline needs to go through and tie in a client’s new well, and the landowner feels he has gotten unfairly treated, a \$1000 saving may end up costing an additional \$5000 to get a well online. Chinook Environmental consistently considers the “big picture” of our clients’ operations, and plays referee to the constant politics involved in negotiations.

To find out more on how Chinook Environmental Services might be able to help control the costs in your upcoming projects,



“Ready for your lesson in overcoming negotiation deadlocks?”

## WINTER IS HERE !

Frozen ground conditions present both blessings and curses in our industry.

Here’s a few tips & pointers to consider for the next 6 months:



- Landspraying rate maximums go from 40m<sup>3</sup>/ha to 20m<sup>3</sup>/ha. Consider TWICE the spread area being required for your fluids disposal.
- Snow Plowing: Grand Prairie area received high snowfalls last year, with plowing bills exceeding water access! Manager: please account for this in your Age’s.
- Water use: Remember boilers are going, so we’ll need more water than normal.
- Oil content in mud? It CAN’T be disposed onto land; it MUST be ‘incorporated’ within 30 days of application. Good luck finding a farmer wanting to cultivate his land with a foot of frost! Managers: you may want to account for deep-well disposal, or storage on-site for spring disposal options.
- Ice: Remember to be careful going out on ice; have someone else with you while checking dugouts. Also remember that in a 10m x 20m dugout, 1 foot (30cm) of ice can eat up 60m<sup>3</sup> of accessible water!
- Pumpoffs: forget it once the ice locks up the clear water layer, as well as ground conditions being frozen not allowing water to be absorbed.

**Again, take heed to safety. SLOW DOWN on the icy roads. Carry clothing for the weather.**