



# Phoenix's Marketing Tip of the Month

October, 2007

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## Pricing Information

AECO/NIT Gas - <http://www.ngx.com>

NYMEX Futures – <http://quotes.ino.com/>

Crude Oil Postings – <http://www2.nrcan.gc.ca>

## Quick Facts

<http://www.theenergynews.com>

<http://www.transcanada.com>

<http://www.spectraenergy.com>

<http://www.transgas.com>

<http://www.atcopipelines.com>

## Upcoming Marketing Seminars

[www.phoenixenergymarketing.com/seminars.htm](http://www.phoenixenergymarketing.com/seminars.htm)

*New Staff? Need a Career Change? Have a Professional Development goal for 2008?*

*Introduction to Crude Oil Marketing – October 10-11<sup>th</sup>*

*Introduction to Gas Marketing – November 6-8<sup>th</sup>*

## Welcome to the Phoenix Marketing Tip of the Month!

At long last, for those of you who expressed an interest in receiving a newsletter from Phoenix with marketing tips, the Phoenix Marketing Tip of the Month has been launched! The objectives of this publication will be to keep readers informed of marketing trends and developments that may impact their future business and provide an educational supplement to the Phoenix marketing seminars you may have attended, by providing gas, oil, NGL, sulphur and power marketing tips.

## Natural Gas Marketing Tip

Once again another gas year is ending and a new year will begin on November 1. There are many pre-November activities with different deadlines that must be completed to ensure a trouble free start-up for November 1. Please refer to the attached table for the critical activities for the major Western Canadian Pipelines and their deadlines. Please contact Phoenix, if you have any questions, or need Phoenix's assistance with the November 1 pipeline requirements.

## Quote of the Month:

"We would greatly regret seeing these job opportunities evaporate. We are Albertans. We care about the people of Alberta and we hope we won't have to make these choices." (Randy Eresman, President & CEO of EnCana on the potential \$1.0 billion reduction in EnCana's Alberta CAPEX in 2008, as a result of implementing the recommendations of Alberta's Royalty Review Panel - Sept. 28, 2007)

## Contact Us

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phone (403) 262-8065, ext. 24 & talk to Dave



*"Yes, I'm still getting up early, but these days it's to check on the spot markets for oil and natural gas."*

## Crude Oil Marketing Tip

"Default, or not to default, that is the question..." In the normal rush to get a new crude oil well onstream and the sales oil trucked to a feeder pipeline-connected terminal or battery, getting a sales oil analysis of density and sulphur content done is often overlooked or delayed. All receiving facilities require this information for quality equalization purposes and, in the absence of having an analysis, will assign the oil a "default" density and sulphur content. Typically, the default quality is worse than the actual quality and acts as an incentive for producers to get a proper analysis done and submitted to the receiving facility. For example, a default density at a heavy oil facility could be  $999 \text{ kg/m}^3$ , while the actual density is  $985 \text{ kg/m}^3$ . As a result, the oil will be charged for too much condensate diluent...with currently high prices for condensate, this could be an unnecessary cost of over \$2.50/bbl...Ouch!! For light oil facilities, the current density scale is  $\$0.59/\text{kg/m}^3$ , thus a  $14 \text{ kg/m}^3$  difference in quality equates to a \$1.30/bbl impact on your netback.

The flip side of this default quality issue is that some receiving facilities have a default quality that may, in fact, be **better** than the producer's actual oil quality! Consequently, it may pay the producer to delay submitting the oil analysis to the receiving terminal operator.

Moral of the Story: Understand the default quality policy of all of your delivery alternatives and compare to your actual quality before you make a decision on where to go and whether to send in an oil analysis.

**Western Canadian Pipelines  
Major Activities and Deadlines for November 1, 2007**

<b>Pipeline</b>	<b>Name Changes/ Amalgamations</b>	<b>Assignments/ Transfers</b>	<b>Request for Service</b>	<b>Renewals</b>	<b>Production Source Priority (Sell) Schedule</b>
<b>ATCO</b>	min.10 business days for new ATCO Customers / min. 3 days for existing customers			N/A	N/A
<b>Spectra</b>	Oct 10, 2007 4 PM MST	Oct 10, 2007 4 PM MST	Oct 10, 2007 4 PM MST	Oct 10, 2007 4 PM MST	Oct 12, 2007
<b>TCPL:</b>					
Alberta	Oct 19, 2007 5 PM MST	Oct 25, 2007 /Oct 26, 2007 for On-line Pre- approved 5 PM MST	Oct 25, 2007 /Oct 26, 2007 for On-line Pre- approved 5 PM MST	Oct 31, 2007 via NrG Dovetail Renewals	N/A
Canadian Mainline	Oct 19, 2007	Oct 25, 2007 5 PM MST	Oct 25, 2007 5 PM MST	Oct 25, 2007 5 PM MST	N/A
<b>TransGas</b>	Oct 15, 2007	Oct 15, 2007	Oct 22, 2007	N/A	N/A