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While the low oil prices have been catastrophic for a lot of companies in the oil and gas industry, one Calgary company has used the downturn as a catalyst for their operations, offering a different alternative for companies who can't make their processes work in this current environment.

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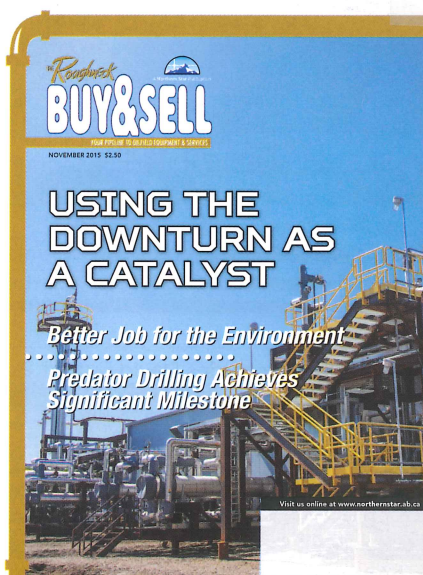


Natural gas compression has long been an integral part of the Western Canadian oil and gas landscape. The historical focus has been on moving natural gas from the reservoir to market, but lately there has been an increased focus on the reduction of vapour emissions from oil and gas production activities.

Like Saskatchewan, many of British Columbia's northern sons and daughters are staying at home, making their lives and careers in the oil and gas industry.

The discovery of prolific fields like Montney, Ring Border, Bullmoose, Horn River, Liard Basin, and Taylor has sparked a large service sector in their own back yard. We'll let our readers know just how well this region is doing.

Photo courtesy of Nsolv.



COVER

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The Roughneck Buy & Sell is published 12 times a year for the North American oil and gas industry. If you or your company are buying or selling oilfield equipment, either upstream or downstream, new, reconditioned or used, then this publication is for you.

We have over 10,000 subscribers from the drilling rig to the gas plant, all of whom have products to buy and sell. Working in conjunction with two well known oil and gas trade magazines, The Roughneck and Energy Processing Canada, The Roughneck Buy & Sell provides advertisers and readers with the best selling tool available.

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COMPACT COMPRESS

No Hassle Compression

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Compact Compression Inc. (CCI) based out of Calgary, Alta., is a privately owned company engaged in the design, manufacture, and service of low horsepower gas compressors. CCI, which began operations in 2002, delivers technical and commercial advantages to their clients through the development of innovative natural gas enhanced recovery equipment. In June 2003, their first product, the CC40 trailer mounted unit, was brought to market, and they now offer five trailer type wellhead booster compressors under 100 hp. The company has a complete product line that is inexpensive to transport and can be installed and running in a few hours with no special site preparation.

In an interview, **Chris Blundell**, President, explained that CCI is busier than many other companies in the industry as they have adapted to the changing circumstances by diversifying their product line. He also said that the company has changed quite a bit since its inception.

"We've changed quite radically. Our initial mission was to develop equipment for depleted gas wells. We developed the trailer line with some unique features that optimized the compressor to maximise production over a wide range of

suction and discharge pressures. When gas prices crashed and the market for our trailer line disappeared, we diversified into conventional casing gas compression with some success," he said, adding that they operate predominantly in Western Canada, from Manitoba to Northern B.C.

Today, CCI is focused on casing pressure in oil wells, which can increase oil production. As oil flows from the high pressure of the formation to the lower pressure at the bottom of a well, natural gas comes out of solution and collects in the casing. If this gas is allowed to build up in the casing it will

create pressure in the well, inhibiting oil production. Before greenhouse gases were a concern, it was rarely economic to capture and sell these vapours so they were vented to the atmosphere. Methane, the primary component of natural gas, is considered to be 10 to 100 times worse than carbon dioxide as a greenhouse gas, so venting is no longer an option. Standard practice today to eliminate venting is to plumb the casing vent line into the flow line, which increases casing pressure to

flow line pressure (the pressure required to move the oil from the well to the battery). Casing gas compressors are used to reduce the casing pressure, thus increasing oil production.

CCI's newly developed Hydraulic Casing Gas (HCG) compressor is a product that Mr. Blundell is very proud of. "Taking a good look at the market, we made an observation that the penetration rate of casing gas compression was extremely low, and the question was why. The technology (ours included) has not changed significantly for decades



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ION INC.:

and is a long way from what would be considered an ideal solution to the problem. We went back to the drawing board and came up with a new and novel compression element that eliminated the issues with present technology,” he said.

CCI has been working on the HCG for a little over two years with commercial production starting six months ago. Initial customer feedback has been quite positive.

Mr. Blundell detailed some of the features of the HCG. “Most significantly, we designed the compression element to pump liquid, thus eliminating the liquid separation and pumping equipment that leads to many of the service issues with conventional compressors. We have a satellite call-up system that sends us an email if something happens which takes the management load off the operator. In order to inexpensively test wells (eliminating a significant risk as not

all wells respond to casing gas compression), we developed a trailer-mounted version of the HCG. As the HCG is completely independent of the artificial lift system employed, it is managed to optimize flow into the well while the artificial lift system is optimized to pump oil.”

Mr. Blundell hopes that the work CCI has done in removing barriers to casing gas compression will result in a larger market. He said, “there are a few producers that are committed to casing gas compression and have budgeted programs for testing and purchase, but the majority of companies do not use casing gas compression as one of their production enhancing tools.” Mr. Blundell went on to say that “the timing is pretty good for introducing the HCG. At \$100 plus oil, the focus was on drilling and completion wells. Today, drilling has slowed dramatically, so there is time and motivation to look for inexpensive methods of increasing production.”

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