

ENERGY INTERNATIONAL QUARTERLY

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THE RETURN OF THE BUYER'S MARKET

Mid-scale wind farms find
room to prosper

MUD MASTER DRILLING FLUID SERVICES

Reducing the eco-impact of oil drilling

TOMORROW'S FUEL?

Talking trash with S4 Energy Solutions





Purging oxygen from storage vessels before introducing hydrocarbons eliminates fire and explosion hazards.

Nitrogen Technologies Of Canada

Cost-saving innovation prevents explosions and fires in the oil and gas industry

BY SARAH LOZANOVA

IT'S NO SECRET THAT COMPANIES PROVIDING more economical services are receiving a friendlier market response in today's tough financial climate. Nitrogen Technologies of Canada (NTOC) is one such company; it offers an innovative technology that assists in transporting large quantities of compressed gas at a relatively low weight.

"Regulatory pressures and emerging industry trends are mandating better safety practices within the energy industry, and, in particular, for the use of inert gas for purging and pressure

testing during well, facility, and pipeline maintenance activities," says Camille Lagace, owner. "Mobile nitrogen delivery systems reduce the time and cost to perform these critical safety procedures." NTOC's transportation cylinders are easily and safely shipped using pick-up trucks, and trailers can be customized for a given application. This eliminates the cost and inconvenience associated with using specialized equipment to convert liquefied gas to a vapor on-site.

The company itself is the result of a partnership with Structural Composites

Industries of Pomona, California, which designs and manufactures lightweight, high-pressure cylinders. SCI was formed in 1971, and its cylinders are used for a variety of applications, including breathing air packs, natural gas vehicles, and home oxygen therapy. Lagace approached the company a few years back about a partnership and received a warm response; after protocol testing and receiving government approval, the Alberta-based NTOC opened for business in November 2008.

Oil and gas companies are the primary customers for NTOC's products, as nitrogen can prevent fires and explosions, and it's utilized as an inert replacement for air because it's not flammable and doesn't support combustion. Nitrogen is commonly used to purge dangerous vapors or gases from the inside of vessels, tanks, or equipment to reduce fire hazard. Before commissioning a new well, air is purged

AT A GLANCE

LOCATION:
GRANDE PRAIRIE, AB

EMPLOYEES:
17

AREA OF SPECIALTY:
COMPRESSED
NITROGEN
TRANSPORTATION

SERVICE AREA:
BRITISH COLUMBIA,
ALBERTA, AND
SASKATCHEWAN

“When the economy is really peaking, costs are not as much of a major factor, and people are very wasteful. Being in an economic valley, we were able to prove that this is the right tool, and properly priced, as well.”

Camille Lagace, Owner



Ability to service wells in remote areas if of great value to the industry.



out of pressure vessels and pipelines. Also, oil and gas pipelines are cleaned using nitrogen to eliminate build-up or scale and lines are checked for leaks by pressure tests. A nitrogen blanket prevents hydrocarbon gas from being released while conducting service work.

One of the most difficult hurdles for NTOC will be creating the distribution channels to minimize travel for customers. Additional centers will be set up across British Columbia, Alberta, and Saskatchewan provinces, and the final goal is for centers to be located approximately two hours apart. Lagace sees this as an urgent task because the advantage of this product is decreased if extensive travel is required.

Being in Alberta has been a major advantage—it’s the leading producer of natural gas, conventional crude oil, and synthetic crude in Canada, and major oil fields are located across the

province, which contains hundreds of small businesses providing numerous services to the oil and gas industry. Moreover, Canada is the seventh-largest producer of oil in the world, and second largest in terms of oil reserves globally. Activity was on overdrive recently when oil and gas prices peaked, but low oil and gas prices have hurt the industry of late, especially the oil sands sector. So even though the industry might be more receptive to the products offered by NTOC when money is tight, overall activity in the oil and gas industry is down. Still, the company is in a good place, for now. “We were able to prove that we could do the work economically, and companies tend to pay more attention to that now,” Lagace says. “When the economy is really peaking, costs are not as much of a major factor and people are very wasteful. Being in an economic valley, we were able to prove that this is the right tool, and properly priced, as well.” ^{EIQ}



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