# The End of the Shale Era, Part 2

By JAMES STAFFORD, Oilprice.com

*This is part two of a two-part piece.* Part one can be found here *[1].*

**James Stafford:** Related to this, where do you see Canada's oil and gas industry 10 years from now?

**Chris Cooper:** I see the oil and gas industry in Canada continuing to grow with the advancement of new drilling techniques and new innovations in exploiting existing pools to increase the recoverability. We have a stable political system in place which enables business opportunity to grow in Canada.

**James Stafford:** We hear a lot about Alberta, but what kind opportunities are we looking at in Saskatchewan?

**Chris Cooper:** Saskatchewan is definitely open for business. The royalties paid in Saskatchewan are very low and the production opportunities are very good. We are actively looking for new opportunities in Saskatchewan.

**James Stafford:** Do you lend any significance to Canadian media reports that the Cabinet is reviewing some new legislation that would set stiff payouts for the oil industry for accidents?

**Chris Cooper:** Personally, I think it is part of the grand plan to help the approval process. My theory is that the Canadian government will lay out a plan for big fines and then push to have the pipelines approved. The construction of pipeline projects creates jobs and would be good for the economy.

**James Stafford:** Do you think this is simply a carrot for the protesters at a time when the Enbridge hearings are raising tensions?

**Chris Cooper:** There will always be protesters.

**James Stafford:** What do you see happening to energy markets in 2013?

**Chris Cooper:** I see the price of oil and gas both increasing. They are depleting resources….it's an inevitable function of supply and demand.

**James Stafford:** What are your views on the Keystone XL Pipeline? Do you think it is likely that Obama will approve its construction, and if so how will this affect your business?

**Chris Cooper:** I think he will approve it. The Governor of Nebraska gave the new

route the okay. I think now that Obama has been re-elected he will go ahead and approve. Again, that is a lot of job-creation for an economy that is struggling. More pipelines are good for Canadian producers as it helps get our oil to market.

**James Stafford:** What are Aroway's top three plays, and why?

**Chris Cooper :** Our current plays all have different risk and production profiles. We have a large inventory and land spread in our JV lands in the Peace River Arch, which provide a healthy mix of development and exploration risk. Very big upside in this play.

Our West hazel production play is a very stable, long-term production scenario that we feel will provide great cash flow and netbacks to the company. For little investment we feel we can substantially increase production at West Hazel.

Our Kirkpatrick Lake and Little bow lands in central Alberta are also very prospective properties that have the ability to turn into new core areas for the company. All our properties are oil focused and are highly prospective.

**James Stafford:** What can we expect from Aroway in 2013?

**Chris Cooper:** I am confident 2013 will be a big growth year for Aroway. We will continue to drill on our existing properties and leverage our production and financial position to take advantage of existing and upcoming opportunities in the sector as far as acquisitions and potential farm-in opportunities. We are confident it will be a big year for our shareholders.

**James Stafford:** 2013 has been touted as the year of the merger and acquisition. As one of the hottest investments around at the moment, do you think that Canadian junior oil & gas companies, like yourselves, will become a favored target for larger oil companies looking to expand?

**Chris Cooper:** I think I can speak for most junior companies when I say, ‘I hope so'. There are a lot of big companies that need to fill the production gaps in their natural depletion, thus in some cases forcing big companies to do that through acquisition. I think the goal for most juniors is to be taken over by a bigger company at a nice premium for the shareholders.

*What’s your take? Please feel free to comment below!*

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