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## Featured Articles

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### A pioneering pair

#### John Wright and Chris Bloomer taking THAI to the next level

Tricia Radison

Just northwest of Conklin, Alberta, smack in the middle of in situ oilsands production country, history is being made. Petrobank Energy and Resources is producing oil using a patented new process called toe to heel air injection (THAI) that's been developed in a remarkably short time. John Wright and Chris Bloomer, the pioneering pair behind commercializing the new technology, have taken THAI from concept to production in just five years with a commitment to moving forward. It is the result of understanding the value of mistakes, and a passion for what they do.

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#### The innovation begins

Even in Alberta, it's the rare five-year old who dreams of one day leading an oil company. But for the young John Wright, now chief executive officer and president of Petrobank Energy and Resources, being an oilman like grandpa and dad was the coolest job imaginable.

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"That or the guys who put the sewer pipe in the street," he laughs.

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The world will never know the level of innovation Wright may have brought to its sewer systems. What is becoming apparent is that Wright and colleague Chris Bloomer, director and vice-president of heavy oil, Petrobank, are poised to bring about what may be a revolutionary change in the industry with the introduction of a cheaper, more effective method of producing bitumen and heavy oil.

Just one year after construction of Petrobank's Whitesands testing facility, the three THAI well pairs have demonstrated fluid production capability between 1,000 to 2,000 barrels per day, with 50 to 60 per cent oil cut. The speed at which THAI has proven viable has even surprised Wright and Bloomer, two of the technologies biggest champions from day one.

"It's a tribute to our team that we basically built our facility in less than a year and had it operating and producing oil in just a little over a year," says Bloomer.

The facility was built in the middle of Alberta's construction boom, when getting anything done fast has been a struggle. The fact that Whitesands is surrounded by steam assisted gravity drainage (SAGD) operations that have yet to reach production makes the feat that much more satisfying to the two pioneers.

James Tocher, founder of Petrobank and chairman of the board of directors, credits the leadership skills of Wright and Bloomer when explaining why the company has achieved so much so quickly.

"They're particularly good people pickers," says Tocher. "Everything in this world, money and oil in the ground, is all inert. It's only people and intellect—and figuring out how to use brains instead of money—that causes things to move forward."

#### The evolution of a new Petrobank

When Petrobank founder Tocher met Wright in 2000, they were each at a turning point. Tocher was looking for a successor to take Petrobank—then focused solely on natural gas—in a new direction. He saw in Wright a man with intelligence, honesty, and vision, backed with superior communication skills.

"John has a kind of a charisma about him," Tocher explains. "It's a natural thing; it's not put on. He comes across, and certainly validly so, as a very honest, very intelligent and very far-seeing CEO."

Wright was also on the hunt for something new. The University of Alberta graduate had previously worked for Morgan Hydrocarbons, first as vice-president of production and then as executive vice-president and chief operating officer. In 1996, Wright joined Pacalta Resources as president and CEO, where he honed his leadership skills and gained extensive experience in Latin America. Based in Quito, Ecuador, that experience ultimately led to a big win for shareholders when Pacalta was acquired by what is now EnCana.

Along with an experienced management team, Wright was searching for a venture where he could apply his skills and knowledge.

"We approached Petrobank's board on a friendly basis and said we'd like to come in and propose a different route for the company to follow, centred around some concepts we have," he says.

Those concepts evolved into the business units that now make up Petrobank's operations—Petrominerales, a successful oil operation in Colombia; the Canadian business unit, focused on natural gas and conventional oil; and the heavy oil unit. Each business unit operates as a separate entity. The result is a diverse revenue base for the company.

#### Chris Bloomer and the new heavy oil business unit

When Petrobank made the decision to establish the heavy oil unit, Wright wanted one man and one man only to run the operation—Bloomer, with whom he'd worked in Canada and Ecuador.

"You can rest assured that no one else was interviewed for the position," he says.

Bloomer possessed the thinking, planning, and motivational abilities Wright knew were required to successfully develop THAI and its place within the oilsands and heavy oil market.

For his part, Bloomer was more than happy to sign on. He'd noticed Wright's ability to get things done on previous projects and knew they'd work well together.

"One of the really big strengths of John's leadership—and the organization that's been put together here—is that it's solution-oriented. It enables people to do what they need to do," he says.

Wright's open-minded, results-oriented approach appealed to the entrepreneurial Bloomer, who obtained a geology degree from the University of Toronto and began working with Shell Canada.

After 17 years in positions of increasing responsibility at Shell and Castle Energy Corporation, Bloomer struck out on his own, founding Canadian Talon Resources, concentrating on developing energy projects in Latin America. In 2002, he joined Wright at Petrobank.

A shared passion for what they do that extends well beyond profits unites the two men. "In a day you'll deal with the rocks, the people, the policies, the financing, the timing, the political issues, and so on. It's a fascinating business from that perspective," Bloomer explains.

Wright concurs. "What other job on earth can take you to every corner of the globe, allow you to apply science and reason and art and luck all at once, and let you solve the mystery every day?" he asks, obviously relishing the number of mysteries on his plate. "Where's the oil? How do we get it out? How do we get it to market? What do we sell it for?"

#### **THAI drivers**

In Petrobank's case, the location of the oil was known. The company had a promising asset in Alberta's oilsands, with an estimated 2.6 billion barrels of bitumen in place. But the high capital, operating, and environmental costs associated with SAGD caused Wright and Bloomer to question whether current technology was the best way to get the oil out.

"The history of SAGD is that it evolved at a time when its key drivers—the price of gas and water—were low. Gas was cheap and water was plentiful. But that kind of changed overnight," says Bloomer. Wright and Bloomer were confident that THAI offered a better alternative and set out to prove themselves right.

Wright attributes his team's ability to move forward quickly to a willingness to work on a small scale. By beginning with a test project that can be augmented as production ramps up, the company has been able to take action without worrying about extensive planning and financing issues. The small scale also creates an atmosphere in which creative ideas can be incorporated and mistakes can be viewed as opportunities.

"I think the small company, agile, quick-thinking, perhaps stupidly fearless, concept works when you're pioneering a technology," states Wright, only half-jokingly. That doesn't mean that decisions are not well thought out.

"We did it in a considered way so that when we knew what we wanted to do, we knew what we wanted to do. And we just executed," explains Bloomer.

#### **The next steps**

Wright and Bloomer confess to a streak of impatience, but also understand that in reality there is no moment when the development of THAI will be complete. Petrobank has established its own research company, Archon Technologies, which will continue to test and refine THAI, as well as develop new technologies to enhance the process. Currently, the company is planning to test Capri, a catalyst placed in the reservoir of the horizontal well to further upgrade the oil.

"If that works," says Wright, "that'll be the steroids for THAI."

And then there's commercialization.

"The next step is not necessarily a quiet step," says Bloomer. "It's a pretty big jump."

Commercialization will involve licensing the rights to use THAI around the world, as well as capturing additional resource to expand Petrobank's operations.

It's a step that will probably lead to rapid growth for the company, a situation with its own unique hurdles to overcome, and both Bloomer and Wright are looking forward to the challenge. After all, for this dynamic duo, growth presents yet another set of mysteries waiting for new and innovative solutions