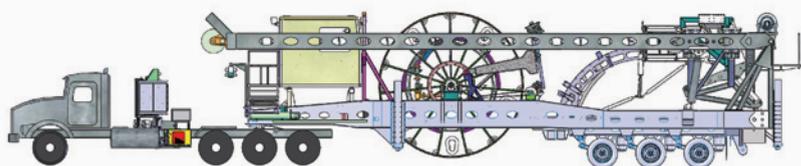


# STEP

energy services

# Next generation coiled tubing services



**STEP Energy Services Ltd. targets deep horizontal market with advanced fit-for-purpose coiled tubing units**

Extended reach horizontal drilling and multistage fracturing have revolutionized the North American energy industry.

Coiled tubing services haven't kept pace with the revolution, resulting in a lack of equipment able to service the deep horizontal wells being drilled, says Bailey Epp, president of STEP Energy Services Ltd.

"Service companies haven't been investing in coiled tubing. They've been investing in fracturing equipment," Epp explains. "That's created a void in capacity."

STEP Energy Services Ltd. plans on filling the void in the deep horizontal market. Founded by three oilfield service veterans with funding from ARC Financial, the company has launched construction of 12 new fit-for-purpose mast coiled tubing units with the first units expected to be in the field for the winter drilling season.

The new rigs will have the deepest capabilities in the Western Canadian Sedimentary Basin at over 6,000 metres and feature the largest mast height in the industry. The units are equipped with high-pressure twin pumps with the horsepower to perform in the deep well environment. The twin pumps also provide complete redundancy during 24-hour operations, which minimizes downtime. The new rigs come with nitrogen units as well.

Chief operating officer Steve Glanville says coiled tubing equipment provides a number of key advantages for completions and interventions in deep horizontal wells.

"The first is trip time, as you can reach depths up to 5,000 metres in four to five hours," he explains, speeding operations considerably compared to conventional service rigs. "The other major advantage is coiled tubing can be run under pressure without having to kill the well. This is beneficial to the reservoir, as you don't have to pump any fluids down the well to kill it."

Glanville says the mast design of STEP Energy Services' fit-for-purpose units works well on drilling pads where clusters of deep horizontal wells are drilled.

"The mast design provides more stability and we designed our equipment to have as small a footprint as possible," he explains, noting there are often hundreds of pieces of equipment on well pads. "The mast style also eliminates the use of an overhead crane on the well pad for critical lifts, which means you don't have to have a crane operator there 24 hours a day."

Both Epp and Glanville bring a wealth of coiled tubing experience to STEP Energy Services. Epp has an engineering background and began working with coiled tubing technology in 1998, progressing upwards through a series of major service suppliers since then. Glanville has followed a similar track, beginning in the industry with Schlumberger in 1992 before moving to Sanjel and then Calfrac. Regan Davis, a third industry veteran, completes the STEP management team.

Epp says the team is currently putting in place a quality workforce with a focus on safety, trust and execution to complement its equipment.

"We've been doing our due diligence in finding people with the same vision and the same values," he explains. "We're being approached by people with expertise in engineering, HSE, operations and maintenance, all the key components we need."

STEP Energy Services is targeting deep shale gas plays like the Horn River and Montney and tight oil plays like the Cardium, Bakken and Alberta Bakken that will benefit from the improved pipe length capacity, pipe size and pumping equipment it can offer.

"Our equipment is obviously the next generation in the industry and will be a significant advantage," says Epp, adding that the team's drive to build an inspired culture and change the way service is delivered to the industry is of equal importance.

"STEP Energy Services was developed to make a step change in the industry," says Glanville. "Our goal is to create a focused coiled tubing service provider that can execute and provide the services needed in the deep horizontal market."