

ACR Aboriginal Programs Project Program Template

Program Area:	4.0	Community Relations
Sub Program:	4.1	Developing Framework Agreements
Template:	4.1.1	Aboriginal Lands Partnering Agreement
Sponsor(s):	<i>Nabors Canada Ltd.</i>	

1. Objective

To develop and implement partnership agreements for capacity-building and revenue-sharing arrangements from drilling contracts on Aboriginal lands.

2. Description

The agreement enables Aboriginal people to gain qualifications and skills for entry-level service rig positions; raises the qualifications and skills of Aboriginal people so they can access job opportunities in Alberta's resource-based industries; provides Nabors Canada with a local trained workforce; and increases contracts for Nabors. The goal is for Nabors, the energy service provider, to become the preferred provider for all relevant work done on Aboriginal lands.

Preferred provider means that the Aboriginal community would promote Nabors' services to a production company that happened to be working on Aboriginal lands. Aboriginal communities typically have significant say in deciding which service providers are used. There is a strong business case to being identified as the provider of choice.

The program usually involves entering into a business agreement with the Aboriginal partner whereby Nabors becomes the contractor of choice to provide drilling and other related energy services on reserve and traditional lands. In return, Nabors provides training opportunities to, and revenue-sharing with the Aboriginal community.

3. Implementation

Some of the key elements for implementation and management of this program are:

- Nabors does not guarantee employment at the end of the training program. Trainees must meet the usual criteria for employment. However, the training received is marketable and will be transferable to other potential drilling contractors as opportunities arise.
- For Phase 1 of the training, students attend Nabors' training facility in Red Deer or the PITS training centre at Nisku. For Phase 2, the trainee becomes an extra hand, e.g., a leasehand, on an actual rig site.
- Nabors has employed a full-time Aboriginal affairs coordinator who does ongoing follow-up with new employees from the Aboriginal communities.

- A key factor in the program is the willingness of company employees to spend the extra time required with trainees to ensure success. Sufficient time should be spent to introduce the program to the energy service provider staff prior to bringing the trainees on board.
- Another key part of this initiative is understanding the community values and needs prior to jumping in with a formal agreement. Cross-cultural training is an important part of this, as well as developing a relationship with the key stakeholders.
- Develop and implement a company policy that ensures endorsement from senior management.
- Nabors is discussing reimbursing Aboriginal communities some of their investment in training if the community member stays in Nabors' employ for an agreed upon period, typically six months. This is a win/win opportunity in that it provides the community some incentive to stay involved and in contact with the employee and potentially provides Nabors with a long-term employee. Turnover typically occurs within the first six months, so anything that encourages the employee to make it through that initial period of employment adds value to all parties.

4. Timeframe for Results

The benefits of the partnering agreement are expected within months of implementation.

5. Measurable Criteria

These include:

- Number of trainees successfully completing the training program
- Turnover rate for trainees
- Ability of graduates to find employment after the training
- Additional contracts for the energy service provider, i.e., the additional business development opportunities that are gained by the energy service provider. This criterion may have a longer timeframe than other criteria such as developmental and employment opportunities.

6. Budget

The cost per trainee is approximately \$1,000 to completion of the program. The energy service provider also covers the costs (\$2,500 to \$3,000) for training the extra hand on the rig site. Human Resources Development Canada may cover accommodation, meals and transportation. As well, the drilling contractor pays the band a percentage of revenue from new contracts on reserve lands.

7. Partners and Sponsors

Nabors Canada and various First Nations such as West Moberly and Saulteau near Chetwynd, B.C. and Sturgeon Lake in Alberta.

8. Experience with the Program

The first Aboriginal Lands Partnering Agreement was signed in November 2002. Four partnering agreements have been concluded to date. While it is relatively early to determine the long-term viability of the practice, Nabors is committed to continuing with the program and looking for additional opportunities. A major issue is the politics within some Aboriginal communities and the lack of stability from a business perspective.

9. General Applicability

This program may be transferable to other companies and sectors that are interested in working on First Nations reserve and traditional lands and Métis Settlement lands, and are prepared to negotiate capacity-building and revenue-sharing arrangements.

10. Additional Information or Support

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Date entered or updated: December 14, 2005