



<http://synergyalberta.ca/group/battle-lake-watershed-synergy-group>

A meeting of the Battle Lake Watershed Synergy Group was held on Thursday February 6, 2020 at the Lakedell Ag. Centre (Hall B) with Paul McLauchlin acting as Facilitator.

CALLED TO ORDER:

Paul called the meeting to order at 7:00 pm.

AGENDA:

- Introductions
- Review of Minutes
- Follow-up Action Items
- AER Updates
- Industry Updates
- Community Updates
- Next Meeting

ATTENDANCE:

In attendance were { 8 } residents, { 7 } industry representatives and government officials. (See the attached list.)

Review of Minutes:

Follow-up Action Items:

BMP - Identification on Industry workers vehicles (Rural Crime watch purposes)	Industry Members
Invitation to MLA Rick Wilson to discuss unpaid taxes at May 7, 2020 meeting.	Paul McLauchlin

AER Update: Darcy Allen/Zoriana Wood

February 4, 2020 via email

News Releases:

[Tourmaline, Topaz, and CWC Energy Services charged after H2S release](#)

The AER has laid charges against [Tourmaline Oil Corp.](#), [Topaz Oil Corp.](#) (formerly Exshaw Oil Corp.), and CWC Energy Services Corp. for a release of hydrogen sulphide (H₂S) that impacted human health. Five charges have been laid against both Tourmaline and Topaz, and three charges against CWC Energy Services. The charges, which fall under the [Environmental Protection and Enhancement Act](#) and [Oil and Gas Conservation Act](#), are related to an H₂S release near Spirit River on February 25, 2018. The first court appearance for Tourmaline, Topaz, and CWC will be on February 19 in Grande Prairie.

[A statement from the CEO: AER reorganization](#)

Over the past few weeks, the board and executive team have worked together to finalize a new organizational structure. We wanted something that would help us to become more effective, efficient, and resilient and better support us in delivering on our mandate. The [new structure](#) is simpler, one with less hierarchy, less duplication, and more integration. It reflects and emphasizes our core functions:

- adjudication and regulatory decisions;
- environmental, energy, and safety oversight;
- energy information; and
- stakeholder engagement.

Over the next few weeks, leaders throughout our organization will be making decisions on how best to resource their teams and functions. This is a difficult time for staff, and resources are available for both those who depart and those who stay. Our stakeholders may also wonder how they are impacted by these changes. Our [Customer Contact Centre](#) is always available to help direct questions to the right people. While some people's roles may change, our work to regulate Alberta's energy industry continues. We will not waiver in our focus to deliver our core business functions that work to protect public safety and the environment while ensuring responsible energy development. We are confident that the new structure will help us focus on the efficient and effective delivery of our mandate.

[Public safety around oil and gas infrastructure](#)

The Alberta Energy Regulator's mandate is to protect public safety and the environment, while ensuring the responsible development of Alberta's resources. We remind all Albertans that tampering with oil and gas infrastructure, such as turning off valves and cutting power to oil and gas sites, is unsafe and could lead to criminal charges. A person attempting to interfere with oil and gas infrastructure could expose themselves and others to hydrogen sulfide (H₂S) gas, which is deadly in high concentrations, and explosions, fires, and electrocution can result. Landowners are encouraged to continue to work with the Alberta Surface Rights Board and Government of Alberta as it relates to surface lease payments. Albertans are invited to contact our 24-hour response line at 1-800-222-6514 if they have any safety concerns.

Announcements:

[AER-COSIA Memorandum of Understanding 2019](#)

The AER and Canada's Oil Sands Innovation Alliance (COSIA) have signed a memorandum of understanding (MOU). COSIA is an alliance of oil sands producers focused on accelerating the pace of improvement in environmental performance in Canada's oil sands. The AER and COSIA agree

- to share information that may assist in AER decision-making related to developing and improving technologies for the oil sands sector;
- to identify information-sharing priorities each year in the areas of greenhouse gases, land, tailings, water, and monitoring; and
- to meet annually to review progress.

The full MOU can be found [here](#).

Bulletins:

[Pipeline Integrity Management Programs Must Consider Slope Movement](#)

A number of factors can increase the instability of slopes, including precipitation. The AER has noted a slight increase in the number of pipeline failures this year resulting from earth movement of unstable slopes. Licensees must consider natural hazards as part of their integrity management programs. The *Pipeline Act* and *Pipeline Rules* require licensees to follow the requirements contained in *Canadian Standards Association (CSA) Z662-19: Oil and Gas Pipeline Systems*. In particular, clauses 3.1.2, 3.2, and 3.3 require licensees to have a safety and loss management system, manage risks, have integrity management programs that monitor for conditions that can lead to pipeline failure (including slope movement), and act to eliminate

or mitigate such conditions. As well, Annex N outlines in more detail activities that must be conducted by all licensees to identify and control hazards through proper risk management of their entire pipeline inventory. Failure to comply with these requirements may be a contravention under the *Pipeline Act* and *Pipeline Rules*. We encourage operators to do the following:

- Assess your integrity management programs and how they address the risk to pipelines as it relates to natural hazards, including slope movement. Suitable management may require the involvement of specialized skilled expertise in this area. Areas of high concern should be identified and suitable mitigation measures implemented. Suitable measures could include increased surveillance of rights-of-way, patrols, and inspections of areas subject to slope movement.
- Adopt emerging best practices for real-time monitoring of precipitation levels, slope movement, and pipe strains of the locations that are most susceptible to failure from slope movement.
- Monitor events of heavy precipitation and proactively shut-in or purge pipelines if potential risk is high.
- Improve leak detection strategies and operational monitoring in potentially affected areas to enable rapid detection and response to a leak, should one occur.
- Conduct engineering assessments of pipelines where slope movement has occurred, which may require specialized inspection techniques, to determine if pipelines have suffered damage.
- Relocate existing lines or install structures or cover material to protect the system from external loads.

Data on relative landslide susceptibility across Alberta can be had from the Alberta Geological Survey's *Map 605* and related data files: www.ags.aer.ca > Data, Maps & Models > Maps > [Map 605](#).

[Tracking and Manifesting Produced Water](#)

On November 19, 2018, Alberta Transportation issued Permit 2018-4703 (Permit P) for transporting produced water by truck that has not been cleaned or purged. Due to the overlap with the AER's tracking and manifesting requirements found in [Directive 058: Oilfield Waste Management Requirements for the Upstream Petroleum Industry](#), some confusion has arisen. All *Directive 058* requirements are still in force and are independent of Alberta Transportation requirements. Companies must continue to comply with all AER requirements, including the following:

- Track, report, and manifest produced water using the code "WATER: Water – Produced (including brine solutions)," even if being transported with a transportation of dangerous goods placard.
- Follow the list of codes in Appendix 3 of [Directive 047: Waste Reporting Requirements for Oilfield Waste Management Facilities](#) when tracking, reporting, or manifesting oilfield waste.
- If contaminants are present, characterize the water. If the properties are deemed dangerous, as outlined in *Directive 058*, then use the Alberta Oilfield Waste Manifest Form and adhere to manifesting requirements outlined in section 8 of *Directive 058* when transporting the waste within Alberta.

If you have any questions about this bulletin or the directive, send an email to Directive058@aer.ca.

[Change to Consent Requirements When Crown Mineral and Disposal Rights Overlap](#)

On October 31, 2019, Alberta Energy released [Information Letter 2019-37](#) (<https://inform.energy.gov.ab.ca/Documents/Published/IL-2019-37.pdf>). Effective immediately, we will no longer require proof of consent from overlapping Crown mineral rights holders for new or existing disposal schemes where the disposal scheme applicant or approval holder has a valid Crown authorization to dispose issued by Alberta Energy under section 54(5) or section 32(4) of the *Mines and Minerals Act*. We will revise any affected regulatory instruments to reflect this change. For questions regarding the Alberta Energy information letter, please contact Alberta Energy Crown Equity at WellAdmin.Energy@gov.ab.ca.

[2019/20 AER Administration Fees \(Industry Levy\)](#)

Due to delays in the finalization of the 2019/20 budget, the Government of Alberta approved the AER to issue two sets of administrative fees for fiscal 2019. The first set of administrative fees (\$154M) was issued on July 12, 2019, to allow us to secure the appropriate funds to operate until a budget was approved. The Government of Alberta has approved a total industry levy of \$233.2M; we are now issuing the second set of administrative fees to collect the remaining \$79.2M. The amount of each invoice depends on the AER's revenue requirement, 2018 production volumes, the number of wells and schemes, and the number of operators within the sector. Any change in the above factors changes the invoice amount for each operator. Invoices to operators detailing the fee calculations will be mailed on November 29, 2019, and payments are due by January 6, 2020.

[Review of AER Industry Levy Methodology](#)

The AER is currently 100 per cent funded by industry and is authorized to collect funds through an administrative fee levied on energy development projects and activities. As a detailed review of the methodology used to calculate the levy has not occurred since 2006, we will be undertaking a review to examine how the levy is currently calculated. To help inform this work, we will be soliciting stakeholder feedback to identify potential changes to the levy methodology. In early 2020, we will establish a joint committee with industry stakeholders to garner feedback. The committee will examine a range of factors, including the types of facilities, activities, and sectors currently included in the levy calculation. The review will identify potential options for change in both the short and long terms. Further details of the levy methodology review will be announced in early 2020. The levy methodology review will not affect the current administrative fee levy announced on November 29, 2019.

[New Subsurface Order Institutes New Monitoring, Setback, and Response Requirements to Manage the Risk of Induced Seismicity in the Red Deer Region](#)

AER released [Subsurface Order No. 7](#), which establishes new monitoring, reporting, and setback requirements to manage the potential hazard of induced seismicity from hydraulic fracturing in the [Red Deer region](#). The order prohibits hydraulic fracturing operations within five kilometres of the Dickson dam infrastructure if operations are targeting the Duvernay Formation or below. The order also establishes a mandatory traffic light protocol for hydraulic fracturing operations targeting formations above the Duvernay within the five-kilometre exclusion zone around the Dickson dam and for operations that are targeting the Duvernay Formation or below it within the broader Red Deer region. Under the traffic light protocol, licensees must implement seismic monitoring and response procedures to manage the hazard of induced seismicity before, during, and after any hydraulic fracturing activity. Any seismic events of 1.0 M_L or greater within 5 kilometres of the hydraulically fractured well must be reported and mitigated (yellow light infraction). If an event 3.0 M_L or greater is detected (red light infraction), the fracturing operations at the well must cease until authorized by the AER to restart. Licensees are also required to share real-time seismic data with the AER. We will continue to evaluate the risk of induced seismicity in the [Red Deer region](#) to ensure that the Dickson dam setback distances are protective of Albertans. The order may be updated in the future based on scientific evidence regarding the potential hazard.

[Application for an Aboveground Reusable Bladder Within a Structural Frame](#)

Companies may apply to use alternative storage devices to those set out in [Directive 055: Storage Requirements for the Upstream Petroleum Industry](#) to store produced water and other fluids at a well site. Most storage devices meet the requirements either in *Directive 055* or in the addendum to the directive. However, there is a new type of storage device—an aboveground reusable bladder within a structural frame—that does not currently exist in either regulatory document. Under section 8.030(3) of the *Oil and Gas Conservation Rules*, we can approve such a device if it provides the same level of environmental protection as those under *Directive 055*. We have therefore updated the [Checklist for Alternative Storage Applications](#) (previously referred to as guidelines). We've added Part D that sets out suggested information

to include in an application for an aboveground reusable bladder within a structural frame. The updated checklist is available on www.aer.ca under Regulating Development > Application Processes > [Alternative Storage](#) and from the [Directive 055](#) and [Directive 055 \(Addendum\)](#) landing pages.

[New Manual on the Decommissioning, Closure, and Abandonment of Dams at Energy Projects](#)

AER we released [Manual 019: Decommissioning, Closure, and Abandonment of Dams at Energy Projects](#). The manual explains how we assess and process dam decommissioning, closure, and abandonment submissions that are required under section 34 of the [Water \(Ministerial\) Regulation](#) and part 9 of Alberta Environment and Parks' [Alberta Dam and Canal Safety Directive](#). It does not introduce any new requirements. *Manual 019* is available on the AER website, www.aer.ca

INDUSTRY UPDATES:

Baytex: Shane Koss

Activity Notifications sent via email December 19, 2020, January 7, 2020 and January 20, 2020, circulated to residents via email.

Drilling commenced in January for two new wells off existing pad 7-28-54-2 W5, planned completion May long weekend. Any further 2020 drilling if any would occur south of TWP 44 off existing pads.

Currently the majority of company investment made in Texas.

Best resources are in Alberta and Saskatchewan.

Recent coronavirus outbreak creates instability of global market resulting in adjustments to budget. Most Canadian work is occurring in Peace River, Lloydminster and Saskatchewan. Peace River area has experienced the shut down of 51 businesses. The trickle-down effect impacts the area recruiting health care providers as well, a decrease in community donations has occurred.

Continually revisiting the budget according to market fluctuations.

Baytex has reduced staff from 300 to 157. Finalized merger with Raging River. Evaluate assets, staffing. 40,000 barrels/day Texas.

Discussion:

(November) National Coalition of Chiefs conference: National representation of First Nations; Pro-Energy.

Alberta Indigenous Opportunity Corp. – Billion-dollar funding for Indigenous groups to work with Industry.

Eastern Canadian Refineries paying WTI prices while tankers from Saudi Arabia does not pay Carbon tax. US production went from 5 million barrels/day to 11 million/day, then largest customer became largest competitor.

Discussion on Carbon tax, GST added on top of, pass fees along to consumers.

Lease site break-ins and crime consistently an issue. Perpetrators will gain entry no matter what. Some counties have spatial crime stats data in place now.

Industry is working with rural community watch groups. Identification on Industry workers vehicles for Rural Crime watch purposes (staff not criminals). Some employees have experienced negative interactions simply by identifying their vehicle as Industry.

Resourceful Petroleum: Bill Dolan

No update available.

Journey Energy: Dale Guidi

No update available.

Sifton Petroleum Inc: Davin Chandler

January 31, 2020 via email

We have no operations planned for 2020 within the watershed area.

Cenovus: Leon Heck

February 4, 2020 via email

Cenovus has no activity planned in the BL watershed or surrounding areas.
We will continue on with our normal day to day operations in the area.

Theft issue is escalating. Feb/March are expected by RCMP to be peak crime as scrap metal legislation comes into force April 1. Cable is a high crime item.

County of Wetaskiwin: Dale Woitt

Policing: Crime Analyst employed for last year. Compiles stats and reporting for RCMP, then directs the patrols.

Block Talk App – connected most of Alberta, notifications sent with descriptions etc. Very successful. One year to get an additional RCMP in Wetaskiwin.

Crime analyst is an essential element of prevention. Portfolio is assembled for Prosecutor of statistics on specific offenders.

RCMP reports decrease in crime, however are all thefts being reported? Smaller items may not be.

Rate increases are expected to offset additional costs of policing resources.

Other counties have implemented crime analysts also and are collaborating with information sharing.

Land Consultant: Graham Gilchrist

Court of Queens Bench: Commented Sec 36 is not a reputable due process. Waiting for update.

Representatives trying to buy a well held within the OWA. Year and a half of dispute resolution null and void and discussion taken up now with the SRB.

Fungibility Rules: Waiting for finalization, Carbon Credit from farms can be sold to industry across Canada, subject to federal rules.

Workload in the fall has been light; MGA changes allowed counties to settle with rate payers rather than going to hearing thus cutting workload (hearings) in half.

COMMUNITY UPDATES:

Dave Doze:

Discussion: MLA Rick Wilson

Extend invitation for discussion on unpaid taxes at next meeting (May 7, 2020). Opportunity to inform MLA. Solvent companies choosing not to pay due to lack of consequence vs. Insolvent companies not having funds available. Many different circumstances contribute to issue.

Changes in MGA necessary for municipalities to have jurisdiction to take action.

Some areas are leveraging targeted 20% weight road bans.

Battle River Watershed Alliance: Sarah Skinner

AEP grant came through (less than previous years) for the group. Able to continue.

Meeting Dates:

May 7

September 3

November 5

ATTENDANCE LIST

INDIVIDUAL	REPRESENTING
Paul McLaughlin	Facilitator
Michael Black	Resident
Dave Doze	Resident
Bob Whiteside	Resident
Ken Jenny	Resident
Carriann Davison	Resident
Bill Blackmore	Resident
Clive Buckley	Resident
Graham Gilchrist	Consultant
Sarah Skinner	Battle River Watershed Alliance
Dave Pockrant	Cenovus Energy
Dale Woitt	County Councillor
Darcy Allen	AER
Shane Koss	Baytex Energy
Zoriana Wood	AER