

BATTLE LAKE WATERSHED SYNERGY GROUP

May 6, 2010

Everyone introduced themselves. A meeting of the Battle Lake Watershed Synergy Group was held on Thursday, May 6, 2010 at the Lakedell Agricultural Centre with Paul McLauchlin acting as Facilitator for the meeting.

CALLED TO ORDER:

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

ATTENDANCE:

- In attendance were 21 residents, industry representatives and government officials. (see attached list)

INTRODUCTIONS:

- Everyone introduced themselves.

MARCH'S MINUTES:

- Acceptance of the minutes was postponed until June 3rd's meeting to give everyone sufficient time to review them.

REVIEW OF ACTION ITEMS:

- #118 – Paul sent out drafts of the Best Management Practices Handbook.
- #130 – Michael Black explained that he and Dave Doze had discussed the lake excursion and had concluded that because boats weren't available, a lunch at the Battle Lake Campground and a hike up Mount Butte would be the best idea. Further discussion would be scheduled for the next meeting.
- #142 – Paul will present the results from the questionnaire later in the meeting.

- #144 – Discussion on the Open House will be held later in the meeting.
- #145 – Michelle made the changes in the minutes for January and February as requested and forwarded the changes to Paul.

MISCELLANEOUS:

- AltaLink sent regrets that they would not be able to attend tonight.

ERCB UPDATE:

- Larry Gould explained that there wasn't much new, mostly just turnarounds and maintenance work. He said that he didn't expect things to ramp up until June.
- He also talked about the Cardium Formation's horizontal wells and multi-stage fracing. The horizontal wells go to depths of 1000–1200m and 1700m out. The fracing is done at different sections at a time. The horizontal wells will lessen the surface footprint. However, he explained that there are some issues with drilling horizontal wells compared to drilling vertical wells. One of them is: when drilling vertically, generally 2–3 days are needed after drilling. 1 to 2 days of this time is for the clean-up phase (called "flow back). Larry went on to say that landowners are noticing that it takes more time when horizontal wells are drilled. The reasons for this are: when multi fracing is done, the clean up takes longer because of the extra fluid involved. Also, there is an increase in traffic, more storage units are needed to gather the fluid, and it operates "around the clock" (24 hours). During the fracing phase the engines can run up to an hour at a time. He said that there are some horizontal wells in the Battle Lake and Rimbey areas, as well as, northwest of here.
- In Drayton Valley, he estimated that anywhere from 10–60 wells were being drilled and that he guessed that up to 2000 wells would be drilled in the Cardium Formation by 2012. He did say that some of those would use existing wells when possible. He stated that the

- volume from 2000 horizontal wells would be comparable to 8000–10,000 vertical wells.
- Larry stated that the ERCB is asking the oil companies to be more informative about what they are doing and to exercise more due diligence.
 - Monte informed the group that each frac that is done could represent a vertical well.
 - Larry suggested that with more wells being drilled and the extra activity means more employment for our area.
 - Jim Stevens (PLWSG) asked how this would affect the aquifers in our area. But Larry felt that they wouldn't be affected due to the depths the horizontal wells are at. They aren't near the groundwater levels, and therefore, no monitoring would be done.
 - Larry also explained that the ERCB is coming up with a modified training course on H₂S and Sour Gas for Emergency personnel. The course will be free of charge. He informed the group that Steve was attending a safety conference in Banff and that's why he was unable to attend tonight's BLWSG meeting.
 - Michael Black asked if any shale drilling was being done. (Shale drilling requires a "super frac" or high pressure frac because it's very hard to get oil out of shale. But Larry said that he wasn't aware of it happening in our area. But Monte said it was happening in the Grande Prairie area, and Duane Kremp said it was happening in Fort St. John area.
 - Larry thought that the Cardium Formation will be big for Alberta, like the Bakken Formation was for Saskatchewan.
 - Larry also announced that tonight would be his last meeting with the BLWSG because he would be heading to High Level. He gave a brief description of his history with the ERCB, which started in 1982 in Calgary. He explained that he had been in many places since then and that his time in Drayton Valley (over 2 years) was very enjoyable. He liked the discussion within the BLWSG meetings and that he hoped that he had made a difference. He went on to thank Paul for his leadership at the meetings and all the others for their participation.

- Jim thanked Larry for his participation and attendance at the meetings. Jim also inquired about whether a strategy was in place for an area like ours, that emergency personnel should follow in case of an H2S emergency. Larry answered that he didn't know but Steve could bring back more info about how the H2S is handled in an emergency.
- John West of Advantage announced that they had just gone through an Emergency Response Exercise where they had simulated a release on Hwy 13. The most important thing was to make sure the public was protected and he said that protocol is followed from the field to main office in Calgary.
- Larry said that the ERCB uses the same operators as AB Environment.
- Oilfield companies are trained to handle their own emergencies, 24-hours/day and that each company offers mutual aid to the other companies, therefore it doesn't really matter who you contact in case of emergency. Also, residents within an "impact area" (of sour gas wells, anyways) are given emergency contact numbers and instructions of what to do in an emergency situation.
- Jim Stevens questioned if the synergy group should be gathering that kind of information and providing that at an open house. Also, the County of Wetaskiwin should have a copy of the emergency plan. **ACTION ITEM #146.**
- When asked if someone else would be replacing Larry Gould's attendance at the BLWSG meeting, he responded that he came voluntarily because he had more technical background and therefore would be able to answer many questions. He explained that Steve is the only one required to attend the meetings on behalf of the ERCB.

AB ENVIRONMENT UPDATE:

- Dave Helmer had nothing new to report.

INDUSTRY UPDATES:

BAYTEX:

- Pat Schmaltz had nothing new to report.

ADVANTAGE:

- Monte had nothing new to report.

SCOLLARD:

- Doug Anderson said that they planned to drill 2 or 3 wells, horizontal cardium block wells, at existing locations: Sec 25-46-2 and Sec 30-46-1. They are at the preliminary stage only, but looking at drilling in September or October.

PENN WEST:

- Nothing new to report.

MEC OPERATING CO.

- On June 14th, a turn-around was planned at: 2-35-46-2 and 8-30-45-1.

TRILOGY:

- They sent regrets for not attending tonight. However, they received the results from their review and the original decision still stands.

CONOCO-PHILLIPS:

- Paul said that he was still trying to find out who the new rep. is that will attend the BLWSG meetings. But he was told that Conoco had plans to re-enter a sweet gas well at 8-8-46-2. It is license exempt from ERCB. It's a Tier 3 classification.

QUATTRO:

- Jim Stevens asked if anyone knew whether Quattro planned to attend the meetings; they had made inquiries about drilling on the north side of Pigeon Lake. They should be contacted and invited to attend the meetings. **ACTION ITEM# 147**

WATER BALANCE STUDY:

- Jim Stevens said that the Battle River Watershed Alliance and the Pigeon Lake Watershed Synergy Group had a water study done. The study offers a clear picture of the aquifers from the Rockies on down. And someone could be invited to speak about the results (maybe for June's meeting). **ACTION ITEM #148**

LANDOWNER UPDATES:

- Bob Whiteside: asked for confirmation that the Trilogy review had come back with no changes from the original decision. And inquired if landowners would have been contacted regarding a decision. Larry said that it wasn't actually an appeal and wasn't sure if a landowner would have been informed since there wasn't any change. Bob, however, said that as a landowner, it would be a relief to know the decision still stood so that he could stop worrying about it. Larry took note that it's important to the landowner and said he would pass it on to Steve.
- Ken Jenny wanted to know if there was a time limit on an application. Larry answered that, yes, a company has an expiration date on it. After that, the company would need to go through a new application for those mineral rights. He said that the Dept. of Energy would have that information and that it would be public information on who owned the mineral rights. ERCB doesn't get involved until an application goes through. It was questioned as to what happens to those mineral rights; do other companies have a chance to bid on it?
- Michael Black asked for an updated list of all the operators in the Battle Lake Watershed protection district, as set out by the County.

The list he has now is 3 years old. The list contained well locations and the operators. ERCB will get that list. **ACTION ITEM #149** this list should also be posted on the website.

- Dave Doze informed the group of the Warburg Surface Rights Annual Meeting on the following Tuesday night in Warburg at the hall. He also mentioned that an example of why so many landowners worry about a “sour gas well event” even though they are told “nothing will ever happen” is the incident in Mexico. They too, probably told residents, etc. “not to worry”.
- Ken Jenny inquired about the well that went up so quickly near Sunset Harbour and questioned it’s proximity to the lake and the homes at Sunset Harbour. He also wanted to know if anyone knew who had drilled it. And what’s the chance of something like the incident in Mexico happening here near our lake? Is there less chance of a blowout with horizontal drilling? Should a relief well be drilled parallel with every well? Currently a relief well is only drilled in some instances. And the relief well would need to intersect the “blowout” well in order to kill it. Larry said that a relief well can be cleared and drilled very quickly, if necessary.
- Residents aren’t always comforted by the words “in the unlikely event”, because it could still happen. Although, more technology and safety measures are in place when drilling in the ocean, it still happened. John West said that ocean drilling is a lot more risky because 5000 barrels/day are coming out.
- When Ken Jenny asked how soon the well that is on the edge of Pigeon Lake be contained, he was told “right away”. There is a culvert running into Pigeon Lake, the co-op should be notified and waterways blocked off right away. If they needed to dig a trench, they would have the info as to where one would be. Also, they would practise more due diligence because it’s closer to the water and have a “spill containment recovery” in place.

BETTER MANAGEMENT PRACTICES (BMP):

- Michael Black stated that the BMP is a living document and can be updated every season. Anyone who wants to discuss them with Michael should do it asap so that it can be dealt with. Paul will email them to all industry (past and present) to be reviewed and returned to Michael by May 19th so that BLWSG can vet them at June's meeting. **ACTION ITEM #150**
- Topics that weren't discussed and that should be added next season are: seismic and reclamation. Look at them in September. **ACTION ITEM #151** Michael said that lots of good reclamation is being done at Alberg's property. It is being reforested, back to its natural state. Michael suggested that the group should get the person in charge of the reclamation to speak in the future.
- Bob Whiteside thanked Michael Black and Dave Doze for working so hard on the BMPs. Michael acknowledged that Darcy Allen helped a lot, as well as, the County of Wetaskiwin.
- Paul also sent out the BMP via email to all members and will provide the finished product of the BMP. Monte Hurt (Advantage) questioned if there was enough time to take it back to review in-house, then make necessary changes and then make the hard copies in time for June's meeting.
- Michael reminded everyone that the BMP Handbook is not perfect, and that they are recommendations only. It does not represent everything that residents want, nor everything that industry wants. And he hoped that there wouldn't be a lot of issues to drag it out. Dave Doze agreed, but it does let any new company that comes in, know what is expected of them. It is a voluntary document only.
- Ken Jenny wondered who would be reviewing the document "in-house". And Monte responded that his plan was to vet them through others who haven't attended any meetings but were also operators dealing with landowners and similar situations.

OPEN HOUSE:

- Possible ways to advertise the Open House are: highway signage, community bulletin board in the local papers, the Lakedell Ag. Society's website.
- Purpose the Open House: it would give the oil industry a chance to give information to the community and so that the community could learn what the BLWSG has been doing.
- A mail out should be sent out to anyone who has ever attended a meeting.
- Paul questioned how the costs would be covered, if companies had out info, do they have an advertising budget?
- Suggestions for the Open House: Company displays, Synergy group presentation food and drink.
- Michael Black said that he had some brochures that could be handed out at the Open House but that it needed a new industry rep. for a contact. In June, get the name. **ACTION ITEM #152.**
- September would be better, because it would start off the season, rather than be the end of it and anyone new wanting to attend for need to wait until September (loss of momentum). In September, it would kick off the new season, and hopefully new members would continue to attend. This would also give more time for the BMP to be completed.

JUNE'S MEETING:

- Finish the Open House plans. Maybe advertise the Open House at the Lakedell's Farmer's Markets all summer long. The Pilot Project Review could be finished by September, as well.

QUESTIONNAIRE RESPONSES:

- Paul went over the responses from the questionnaire. Overall, Paul said that everyone seemed to be better than before.

ADJOURNMENT:

- Paul adjourned the meeting at about 9pm.

ACTION ITEM LIST

May 6, 2010

#	ACTION	RECOMMENDED DATE	PERSON RESPONSIBLE	DONE
144	Hold an Open House	September 2010	All in attendance.	
146	Get copy of emergency plan and contact list for our area.	September's Open House	?	
147	Invite Quattro to attend meeting	June	Paul McLauchlin	
148	Invite someone to speak about the water balance study.	June	Jim	
149	Give Michael Black an update list of operators/wells in the BL Watershed Protection District.	June	Steve Harrington (ERCB)	
150	Add: seismic and reclamation topics to BMP	September 2010	All in attendance	
151	Paul email BMP Handbook to industry for review.	ASAP	Paul McLauchlin	
152	Vet BMP Handbook	June	All in attendance	
153	Need a industry rep name on brochures for Open House	June's meeting	All in attendance	

ATTENDANCE LIST

May 6, 2010

INDIVIDUAL	REPRESENTING
Monte Hurt	Advantage
John West	Advantage
David Helmer	AB Environment
Terry Kreese	Baytex
Pat Schmaltz	Baytex
Brenda Shantz	County of Wetaskiwin
Nancy Watson	County of Wetaskiwin
Larry Gould	ERCB
Duane Kremp	MEC Operating Co.
Bryan Ryckman	MEC Operating Co.
Alan Browse	PennWest
Michael Black	Resident
Joanne Broderson	Resident
Dave Doze	Resident
Ken Jenny	Resident
Jim Stevens	Resident / PLWSG
Bob Whiteside	Resident
Terry Wildman	Resident
Doug Anderson	Scollard
Paul McLaughlin	Facilitator
Michelle Payne	Recording Secretary