

BATTLE LAKE WATERSHED SYNERGY GROUP

March 4, 2010

A meeting of the Battle Lake Watershed Synergy Group was held on Thursday, March 4, 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 7:02pm.

ATTENDANCE:

- In attendance were 19 residents, industry representatives and government officials. (see attached list)

INTRODUCTIONS:

- Introductions were done.

JANUARY'S MINUTES:

- Everyone was asked to review the changes made to January's minutes as per the February's minutes.

ACTION ITEM REVIEW:

- #116/137 – Regarding the Compression Noise BMP, Michael Black said that the group would like to leave the BMP as it stands now, without making any changes. They want to keep the measurement at the lease site rather than at the nearest resident. Dave Doze commented that if the noise is only taken into account for the original neighbour, then any new neighbours may not enjoy the same peace.

- Ken Moen thought that if a new residence is built, that a new measurement would be taken from the new residence. Dave Doze that it would need to go to a hearing to get that done because the argument would be that the lease was pre-existing before the new landowner moved in. Dave also said that even if he didn't have a residence near the lease but wanted to enjoy his land that he shouldn't have to be bothered by it.
- Michael reiterated that the BLWSG wants to set the limit to 40 dB at the site.
- Bob Whiteside expressed concern that it could take a long time to get things changed, that nothing is a simpler operation. Most residents won't know what their rights are.
- Michael Black explained that the group would like to "push the envelope" and be better than what the current regulations are but the BLWSG does want to work with industry still and be good neighbours. He also explained that there is new compression technology to help with the noise level. Sometimes it seems a hard fight for the residents to fight against industry.
- Ken Jenny brought up that he has experienced the difference between older compressors and newer compressors and he said that there was a big difference. He explained that some cities have noise bylaws that require noise levels to drop in the evenings. But the lease site noise level never changes, it goes 24/7. Paul will email the compressor BMP that he received from Michael Black and forward it to industry to be discussed in-house. **ACTION ITEM #143**
- Dave Doze said that one thing that's important to remember is to close the doors on the facility that will help to keep the noise down. He also commented that he's been listening to Imperial Oil haul the contaminated soil away, and that the noise from the trucks is preferred to the noise that comes from the plant itself. Although, Dave is a mile away from the site but it seems that it's only about 100m away from his house. His point being that the acoustics in the area are unique and can amplify the noise and that's why the BMP is so important to residents, and that it should be taken into account.

- Dave then reminded the members that the BMP's are just a recommendation for industry to follow—they aren't enforceable; residents realize that not everything is perfect. The BMPs and the BLWSG are about the community, as well as, the environment and watershed area.
- Shane Koss and Monte Hurt inquired why 40dB was the level chosen by the BLWSG. Michael Black believed the reason that 40dB was chosen because most complaints came when sound levels were above 40dB, not when they were below that level.
- Monte then asked whether a number needed to be listed; industry should just try to accommodate residents because everyone is different. But residents believed that compressor noise can prevent future development because there is no assurance that the noise level will be acceptable at the new residence.
- **Shane Koss** felt that industry shows that they care about the community wants and discuss openly; that's why they attend the meetings regularly. They want to build the trust up, but he also mentioned that why less and less industry reps are attending the meetings.
- Industry wants to work with the residents and have made changes to leases because there have been issues with noise, even when they were below ERCB's regulations. Shane Koss and Duane Kemp both brought examples where they worked with residents to make them happy, even though they were below the standard regulation.
- Bob Whiteside stated that residents want to develop their lands as much as industry wants to develop their projects. Ken Jenny expressed a similar sentiment, adding, if he was to choose to sell his land, who would buy it because there is too much oil and gas development around it?
- Paul suggested questioning the ERCB regarding the measurement that is done at the nearest residence; how does that compare with the level at the facility itself? Is there much difference?
- Michael Black reiterated that it's only a guideline and that they all want to work together.

MAY 2008 QUESTIONNAIRE:

- Paul discussed the results from the 2008 questionnaire with the group and sent out the form again.
- The group discussed that industry reps are probably not as free to express their opinion as much as the landowners are. Monte questioned as to what was happening that has resulted in less people attending and what could be done could attract better attendance.

KEY CHANGES TO BLWSG AND TASKS:

- Paul stated that they have achieved 95% of their tasks (BMPs) and are ready to hold an open house. They have accomplished a lot under the pilot project.
- Should the synergy group hold an open house in June? **ACTION ITEM #144**
- Ken Jenny observed that the 5 different companies represented; estimated that 50% of companies. However, not many residents were attending either at least not this meeting). It was expressed that some residents feel that they don't need to attend because the other residents are considered to be doing a good enough job representing landowners, also some are too busy and preoccupied to attend. Landowner numbers were down tonight. Perhaps an open house could draw more residents out.
- Karl Zajes said that it was great for industry that does attend because they come to hear both sides of the story. Paul said that he still sends minutes out to lots of residents who still read them and show they are interested in what the group is doing.
- Shane Koss read the mission statement of the BLWSG and asked if everyone was still interested in how oil and gas was developing in the area. Dave Doze answered "yes", saying that the community realizes that industry is here to stay. Ken Jenny said that he felt that things had changed in a positive way from 7 years ago.

- Terry Wildman also thought that the group had been successful with its integrated approach and that Marta from the ERCB pilot review board should look at the mission statement of the BLWSG when discussing the review of the pilot project.
- Bob Whiteside thought that because of past history and how willing industry was to spend money on forcing their agenda on residents, that it can be frustrating. Because of that, landowners are skittish and untrusting. But Ken (Scollard) told of when Ken Jenny had objections to further development on a lease near his house, that he came out to look over the land and has come up with other suggestions as to where build that could work for all involved. He felt that he listened to their resident's objections and was trying to cooperate. Ken said that he knew that they (industry) needed to build as well, and just objected to the placement itself and felt that Scollard was taking his concerns into account.
- Monte Hurt stated that the group had made huge leaps in working together but has felt that residents are hesitant to have any new development in the Battle Lake Watershed area.
- Bob Whiteside's concern is that after the hearing and being told that there wouldn't be an appeal, he's now waiting to hear from the ERCB about an appeal.

ERCB UPDATE:

- **Steve Harrington** looks at industry as a whole and felt that generally the BLWSG wants to work together, even though sometimes there are steps backwards. And that respectful behaviour may seem impossible when issues are emotional, it's pretty normal, it can take baby step to work together. He also noted that industry and residents sit on opposite sides of the table.
- He also said that he sent a letter to Hank Spence at Bonavista and that if he hears from him he'll let BLWSG know and if not, something else will need to be done. ERCB can't make them attend the BLWSG meetings.

INDUSTRY UPDATES:

MEC OPERATING:

- Drilled a well at 4-20-46-1 and maintenance was done on 1-34-46-2 and at 2-34-46-2 and 2-15-47-2.

BAYTEX:

- An up hole recondition was done on 7-27-46-2 and they were busy with break up coming.
- Still waiting on the holding application.

PENNWEST:

- Servicing on 9-6-46-2 and 10-6-46-2. And service done on 10-32-45-1.

SCOLLARD:

- No recent action.
- Spacing application - no objections but probably won't drill soon because of prices, and will do it in the fall to avoid disturbing any summer activity.
- They did a repair on 14-24-46-2 (pump jacks on a gas lease to get the water necessary to run their battery). It had been in place when they purchased it from Trilogy.

TRILOGY:

- Still waiting for review.

AB ENVIRONMENT UPDATE:

- Dave Helmer announced the mediation for MEC for the appeal is March 4th, 2010.

LANDOWNER UPDATES:

- Karl Zajes said the Warburg Surface Rights Group and the Sierra Club–Prairie Region were presenting: Alberta Government Potential Water Deregulation Program (they've been working on it since 2008 and goes into effect in 2010) on Tuesday, March 9th at the Warburg Community Hall.
- In Ponoka, at the Legion, the Calamet Synergy Group (Bashaw) is sponsoring a workshop for landowners. No cost. There would be lots of info. 8:30am–4:00pm.
- Bob Whiteside expressed disbelief that Trilogy is able to appeal the ERCB's decision. Steve answered that it rarely happens, and that he isn't aware of why it's happening.
- Paul requested the questionnaire be completed by April 30th and will re-visit the data when the new one is filled out.

LANDOWNER LIABILITY BMP:

- Terry Wildman questioned how to make the BMP relate specifically to the Battle Lake area, with regards to liability.
- Duane Kremp said that Phase 1 and 2 standings can be used—industry will be held liable forever.
- Karl Zajes explained that he has had experience dealing with landowners that have suffered and paid and lost because they weren't protected. Imperial ESSO has been held responsible for 9.2 million dollars because of contamination and that he had expected better practices from ESSO. Karl said that some companies think that they can get away with it, but larger companies should set an example. But landowners suffer because of the damage that has been done and the trust that's been lost.
- Terry suggested that the approach is the key or the document will become huge.

- Michael Black questioned whether the liability situation could be handled properly by the BLWSG. Or are there better ways to do it. Paul stated that “well-site accounting” is how companies are run.
- Bob Whiteside asked whether a bond could be attached; Karl said to read the contract at the beginning to ensure you're protected. Ken Moen suggested using the form that Karl has and take it back to discuss in-house. Karl will email the form to Paul so that the form can be attached to the minutes.
- Karl also talked about 13 contaminated sites between Calmar and Leduc. He said that it had been drilled properly, and when practices were different, but the contract still needs to be honoured and the site returned to its original state.
- Could these addendums be used as the BMP? Would they protect existing leases, or only new developments? Some landowners have had to wait a long time for a contaminated site to be cleaned up. Something needs to be in place so that these issues are dealt with in a timely manner, rather than dragging on indefinitely. Michael Black pointed out that it has taken 16 years for the Alberg property to get cleaned up. Karl also spoke of other sites where the clean up has dragged on for years before any resolution. Landowners shouldn't have to wait so long. If landowners have any soil contamination, then they are restricted on how to use their land, and are also unable to sell their land. If the oil company doesn't respond quickly, instead they drag their feet, and the landowner is the one who is hurt the most. Most especially if the owner is elderly. That's why landowners are worried about how long the process is to get an area cleaned up.
- Another concern is whether banks are willing to lend money for land that already has a lease on it.
- The group should invite someone to speak about the New Reclamation Criteria.

MEETING CHANGED:

- The group decided that the BLWSG meetings will held every 2 months now.
- Next meeting will be May 6th, 2010.
- June's meeting will be an Open House to share the BMPs with members of industry and the community.
- Paul suggested that the meetings run as follows: September, November, January, March, May, June (Open House)

MARCH MEETING:

- Continue with Landowner Liability BMP in May. **ACTION ITEM #118**

CHANGES TO PREVIOUS MINUTES:

- Add Myles Aitkin (Scollard) to January's attendance list and Doug Anderson (Scollard) to February's attendance list. Make changes and email them to Paul. **ACTION ITEM #145**

ADJOURNMENT:

- Paul adjourned the meeting around 9:00pm.

THE NEXT MEETING WILL BE HELD ON THURSDAY, MAY 6, 2010 AT THE LAKEDELL AG. CENTRE.

ATTENDANCE LIST

March 4, 2010

INDIVIDUAL	REPRESENTING
Monte Hurt	Advantage
David Helmet	AB Environment
Shane Koss	Baytex
Pat Schmaltz	Baytex
Steve Harrington	ERCB
Duane Kremp	MEC Operating Co.
Alan Browse	PennWest
Raymond Carlson	PennWest
James Thurston	PennWest
Michael Black	Resident
Dave Doze	Resident
Ken Jenny	Resident
Bob Whiteside	Resident
Terry Wildman	Resident
Myles Aitken	Scollard
Ken Moen	Scollard
Karl Zajes	Surface Rights Consultant
Paul McLaughlin	Facilitator
Michelle Payne	Recording Secretary

ACTION ITEM LIST

March 4, 2010

#	ACTION	RECOMMENDED DATE	PERSON RESPONSIBLE	DONE
118	Continue discussion on Landowner Liability BMP	May 6, 2010	All in attendance	
130	Lake excursion & hike for industry reps with Dave Doze	June & Fall 2010	All in attendance	
142	Complete previously used questionnaire re: satisfaction with the effectiveness of the BLWSG	By April 30th	All in attendance	
143	Email the completed Compressor Noise BMP to industry to discuss in-house.	Before next meeting	Paul McLauchlin	
144	BLWSG hold an Open House	June 2010	All in Attendance	
145	Make changes as listed by Scollard re: Jan. & Feb. attendance list.	In March's minutes	Michelle Payne	

Questionnaire

3/4/2010

1. Use one word to describe why you are here?

2. Have your expectations changed since when you first attended?

3. Are things better? The same? Or worse then before this group started?

4. Are your efforts appreciated in your organization or community in relation to your involvement with this group?

5. Do you feel this is an open group that allows you to speak your mind?

