



Dominion Exploration Canada Ltd.

Applications for Well Licences
Pembina Field

September 5, 2006

ALBERTA ENERGY AND UTILITIES BOARD

Decision 2006-087: Dominion Exploration Canada Ltd., Applications for Well Licences, Pembina Field

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CONTENTS

1	Decision	1
2	Introduction.....	1
2.1	Applications.....	1
2.2	Interventions	1
2.3	Standing.....	2
2.4	Hearing.....	3
3	Issues	3
4	Need for the Wells and Licence Terms.....	3
5	Conditions and Commitments	4
5.1	Conditions Requested by the Interveners	4
5.2	Other Commitments	7
6	Other Matters	8
6.1	Participation in the EUB Process	8
6.2	Form Letters	9
6.3	Emergency Response Plans	10
Appendices		
1	Hearing Participants.....	12
2	Summary of Conditions	13
3	Summary of Commitments	14
Figure 1	Project Area	15

ALBERTA ENERGY AND UTILITIES BOARD

Calgary Alberta

**DOMINION EXPLORATION CANADA LTD.
APPLICATIONS FOR WELL LICENCES
PEMBINA FIELD**

**Decision 2006-087
Applications No. 1423057, 1423066,
1423070, 1423083, 1423087,
1423097, 1423109, and 1423124**

1 DECISION

Having considered all of the evidence, the Alberta Energy and Utilities Board (EUB/Board) hereby approves Applications No. 1423057, 1423066, 1423070, 1423083, 1423087, 1423097, 1423109, and 1423124 for a term of two years subject to the conditions listed in [Appendix 2](#). The Board also considered the associated site-specific emergency response plan (ERP) and flare permit applications as part of the hearing. The Board is satisfied that the ERP meets its requirements subject to the updates set out in [Appendix 2](#). Dominion must also obtain the individual flare permits necessary in accordance with the requirements set out in *Directive 060: Upstream Petroleum Industry Flaring, Venting, and Incineration*.

2 INTRODUCTION

2.1 Applications

Dominion Exploration Canada Ltd. (Dominion) applied pursuant to Section 2.020 of the *Oil and Gas Conservation Regulations* for licences to drill three vertical and five directional level-3 critical sour oil wells from five surface locations. The three vertical wells are to be located in Legal Subdivision (LSD) 15 of Section 11, Township 47, Range 10, West of the 5th Meridian (15-11), LSD 10-15-47-10W5M (10-15), and LSD 6-32-47-10W5M (6-32). Three directional wells are to be drilled from a common surface location in LSD 9-14-47-10W5M (9-14) to projected bottomhole locations in LSD 7-14-47-10W5M, LSD 14-14-47-10W5M, and LSD 16-14-47-10W5M. Two directional wells are to be drilled from a common surface location in LSD 10-28-47-10W5M (10-28) to projected bottomhole locations in LSD 6-28-47-10W5M and LSD 16-28-47-10W5M. For all eight wells the anticipated maximum hydrogen sulphide (H₂S) concentration would be 266.7 moles per kilomole (26.67 per cent) and the anticipated cumulative H₂S release rate for the drilling and completion phases of the wells would be 5.00 cubic metres per second (m³/s), with a corresponding composite calculated emergency planning zone (EPZ) of 6.87 kilometres (km). The purpose of all eight wells would be to obtain oil production from the Nisku Formation. The proposed surface locations at 15-11, 10-15, 6-32, 9-14, and 10-28 range from 4.0 to 5.9 km from the Hamlet of Lodgepole, the nearest urban centre. Dominion also applied to the EUB for a permit to flare gas for the purposes of testing and cleanup of the proposed wells.

2.2 Interventions

The following parties corresponded with Dominion and the EUB expressing concerns about the proposed wells:

- Doug Bolianatz (on behalf of Boxing Alberta),
- Ken McKay and Joan McKay (the McKays),
- Keith Coetzee,
- Jerry Obst and Irene Obst (the Obsts),
- Linda Claypool and Darwayne Claypool (the Claypools),
- Cliff Whitelock and Audrey Whitelock,
- Rob MacIntosh and Lori MacIntosh,
- G. L. Bannard,
- Jerry Baker and Donn Baker,
- Karen Overli and Jim Lovdokken, and
- Pembina Agricultural Protection Association (PAPA).

The concerns were expressed during Dominion's public consultation and notification process, at the time of the receipt of the applications by the EUB, and throughout the EUB process leading up to the hearing.

Prior to the start of the hearing, Doug Bolianatz withdrew his objection.

2.3 Standing

In identifying who may participate at a public hearing, the Board is governed by Section 26 of the *Energy Resources Conservation Act*, which provides that those persons whose rights may be directly and adversely affected by the approval of any energy development are entitled to an opportunity to lead evidence, cross-examine, and give argument—in short, full participation at a hearing, or “standing.”

Others who may not be able to meet the “standing” test (for example, landowners who do not own the lands where the proposed energy development is to be located) are not afforded those participation rights by the statute. It is the long-standing practice of the Board to allow those persons who would otherwise not have standing to participate to some extent at a public hearing provided they offer relevant information. However, funding to cover costs is not available to persons who may participate but do not have standing.

By letters dated April 17, May 3, May 18, May 23, and May 26, 2006, the Board made a number of procedural rulings regarding the issues of standing and hearing adjournment requests by various interested parties listed above. As a result of these prehearing rulings, the Board granted standing to the McKays, Obsts, and Keith Coetzee (the interveners). The Board also denied the various adjournment requests for the reasons outlined in the respective letters.

At the hearing, Dominion clarified that it was prepared to respond to the Claypools as if they were residents within the EPZ. The Claypools also argued that they could be directly and adversely affected by the drilling and completion of these proposed wells because they spent a considerable amount of time tending their cattle on grazing leases located within the composite

EPZ for the proposed wells. The Board granted the Claypools limited participation relating to matters regarding only the ERP.

Cliff Whitelock was provided an opportunity by the Board to make a statement during the hearing; however, he declined to do so.

2.4 Hearing

The EUB held a public hearing in Lodgepole, Alberta, on June 12 and 13, 2006, before Board Member J. R. Nichol, P.Eng. (Presiding Member) and Acting Board Members F. Rahnama, Ph.D., and C. A. Langlo, P.Geol. The Board panel and staff conducted a tour of the general area on June 11, 2006.

Those who appeared at the hearing are listed in [Appendix 1](#).

On the basis of an undertaking completed on June 14, 2006, the Board considers the hearing to be closed on June 14, 2006.

3 ISSUES

The Board considers the issues respecting the applications to be

- need for the applied-for wells and licence terms,
- conditions and commitments requested by the interveners, and
- other matters.

4 NEED FOR THE WELLS AND LICENCE TERMS

Dominion submitted that it had acquired the associated mineral rights and surface access for each of the proposed wells. It further noted that it had no other wellbores in the area capable of evaluating the potential production of those minerals and, thus, the wells were needed. Dominion maintained that the need for the wells had not been challenged. It also requested that if the Board were to grant the licences, they be granted for a term of two years to accommodate the consecutive drilling of all eight wells.

The interveners were opposed to the granting of the licences for a term of two years, fearing that the two-year term would only encourage the further proliferation of wells and related projects in the area. The interveners and the Claypools advocated that their position was not one that the well licence applications be denied but that the Board place certain conditions on Dominion upon approval of the applications. These requested conditions are described in detail in Section 5.

The Board notes that the interveners did not question the need for the wells and that the interveners did not advocate that the well licence applications be denied. The Board accepts that Dominion has acquired the appropriate mineral rights and surface access and is satisfied that there is a need for the wells to evaluate and produce its minerals.

The Board finds that as the eight wells will be drilled on a consecutive basis over a period longer than one year, it is appropriate to extend the normal well licences and ERP expiry term to two years and it will condition the well licences as such.

5 CONDITIONS AND COMMITMENTS

5.1 Conditions Requested by the Interveners

The interveners collectively expressed concerns about the amount of development in the Pembina area, in particular, the number of critical sour wells being drilled. They felt that once drilling and completion operations were concluded, insufficient protective measures were in place to ensure public safety. They also stated that they had concerns about multiple and overlapping EPZs, which added to the confusion of the area residents.

The interveners and the Claypools stated that while they were not requesting that the well licence applications be denied, the following conditions should be applied to the licences.

- 1) *Dominion install a temporary stationary air monitor in the vicinity of the McKay, Obst, and Coetzee properties at a location to be approved by the landowners during the drilling and completion of the wells.*

Dominion stated that it would commit to the installation of a temporary air monitor in the vicinity of the McKay, Obst, and Coetzee properties at the commencement of sour drilling operations.

The Board acknowledges Dominion's commitment to do so.

- 2) *Dominion install a permanent air quality monitor in the vicinity of the McKay, Obst, and Coetzee properties at a location to be approved by the landowners.*

Dominion did not commit to install a permanent air monitor in the vicinity of the McKay, Obst, and Coetzee properties. It maintained that permanent monitors were not needed after the drilling of the wells because of the preventive safety equipment on Dominion's facilities, pipelines, and emergency shutdown devices. It further emphasized that it had experienced and trained personnel that patrol the pipelines and facilities regularly. Dominion stated that a technical review panel to study the ambient air quality and the potential need for a permanent air monitoring system had been started by a number of stakeholders in the area, such as PAPA, Pembina Nisku Operators Group (PNOG), David Thompson Regional Health Authority, West Central Airshed Society (WCAS), Alberta Environment, EUB, Brazeau County, Pembina Institute, and the Town of Drayton Valley. Dominion stated that it was participating in this panel as a member of PNOG and felt that this study was the proper way of addressing the interveners' concerns.

The Board believes that the locating of permanent air monitors should be done on a regional basis, having regard for all of the operators and operations being conducted in that area, and that it would be inappropriate to require a specific operator to do so unless there were compelling reasons to support that request. The Board is aware that Dominion, through PNOG, is an active participant in the regional initiative to investigate the development of a permanent air monitoring

network. The Board strongly encourages Dominion and all other area operators to become members of the WCAS, if they have not already done so, as a further measure to address residents' concerns about regional air quality. The Board believes that Dominion's participation in the above-mentioned regional initiatives is the appropriate approach to dealing with this matter and therefore will not condition the well licences to require the installation of permanent monitors at the locations cited above.

- 3) *Dominion have a rover posted at the junction of Highway 753 and Range Road 103 during any period when the ERP is active to ensure prompt notification and, if necessary, evacuation of the Obsts, Mr. Coetzee, and the McKays.*

Dominion stated that it would commit to this request.

The Board acknowledges Dominion's commitment to do so.

- 4) *Dominion initiate or continue to participate in a process with other Pembina Nisku operators to agree on standardized ERPs.*

Dominion stated that this was a regional issue on which it and other operators in the area had been working in consultation with area groups, such as PAPA and PNOG, to try to alleviate area residents' concerns. It described certain steps that had already been taken with respect to standardizing ERPs, such as adopting a standardized resident information package that all PNOG members were using. Dominion cautioned that standardizing ERPs would be a difficult task, as there were many operators in the area with different interests, including land positions, drilling schedules, and capital budgets. It added that it did not think a standardized ERP would alleviate the problems in the area because many of the objections and concerns were not ERP specific but rather based on regional issues, such as the amount of overall development and the number of EPZs in the area. Dominion emphasized that it already fully cooperated with PNOG in sharing information and key learnings, but it did not believe that it was appropriate for it to direct other operators on how to develop an ERP.

The Board recognizes that the concerns of area residents with respect to ERPs are legitimate and that existing and future energy projects could impact the Pembina area, particularly if emergency response is not planned and managed properly. The Board also acknowledges that the primary responsibility for ensuring safe operations lies with industry and in particular the company with a licence to drill a well. *Directive 071: Emergency Preparedness and Response Requirements for the Upstream Petroleum Industry* describes when and where an ERP is required and sets out the minimum information to be included. While each ERP is site specific, the Board believes the varying formats and organization of different operators' plans has contributed to the concerns expressed. Given the concerns raised by the interveners regarding the number of existing wells and future applications, the Board believes that better coordination of all aspects of emergency response in the area by all operators is essential and that additional measures must be taken to ensure that the public is confident that wells of this nature can be drilled and produced safely.

The Board further acknowledges the concerns expressed at this hearing respecting the standardization of ERPs. However, based on the information before it, the Board is unsure about the full nature and extent of the concerns and therefore believes that it would be inappropriate to require a specific operator to address those concerns. The Board does believe that there is an

opportunity to address this issue on a regional basis and speaks to this matter in more detail in Section 6.3. Therefore, the Board will not condition the licences as requested.

- 5) *Dominion participate in a process to establish a permanent air quality monitoring network in the Pembina area.*

Dominion noted that as a member of PNOG, it was already part of the technical panel to review air quality in the area and determine the design and requirements of a potential permanent air monitoring system.

As stated under requested condition 2, the Board believes that this request should not be dealt with specific to an application or operator. This is a regional issue that should be dealt with on that level. The Board is satisfied that PNOG has already initiated a process to address this matter and therefore will not condition the well licences as requested.

- 6) *Dominion ignite an uncontrolled flow of gas at the surface.*

Dominion stated that it would meet the requirements of *Directive 071* with regard to ignition criteria, which are clearly stated in the directive. In the Board's view, these requirements provide appropriately protective measures for making the decision to ignite an uncontrolled flow of sour gas. Because Dominion must meet the requirements of *Directive 071*, in accordance with the review and approval of its ERP prior to spud, the Board will not condition the well licences as requested.

- 7) *Dominion have no rig traffic or any other project traffic under Dominion's control on roads during hours when there are school buses present on the roads.*

Dominion committed to coordinating rig moves and other service and support traffic under its control so that they would not coincide with school bus operating hours.

The Board accepts Dominion's commitment to do so.

- 8) *Dominion provide communication devices for any member of the Coetzee family who requests one, not only during drilling but on a permanent basis, i.e., during production.*

Dominion stated that it would commit to providing Mr. Coetzee, the McKays, and the Claypools with cell phones during sour drilling and completion operations if they so request.

The Board acknowledges Dominion's commitment to do so during sour drilling and completion operations only. The Board is confident that the safety measures Dominion proposed to have in place during production are sufficient to ensure the protection of public safety and therefore will not condition the well licences to require Dominion to provide communications devices on a permanent basis.

- 9) *Dominion expand the EPZ out to 7.8 km to conform to the results of the modelling it submitted.*

Dominion stated that its ERP was designed in accordance with *Directive 071* and through consultation with Brazeau County and area interest groups, such as PAPA. It noted that an EPZ

of 6.87 km was calculated using the EUB requirements for each well based on an H₂S release rate of 5.00 m³/s. Dominion described how the EPZ from each respective well was grouped into one composite EPZ ensuring that the minimum distance to the edge of the EPZ from each well was 6.87 km. Dominion also pointed out that due to the compositing of the EPZ, the distance from some of the wells to the edge of the EPZ was in fact greater than 6.87 km.

Dominion submitted dispersion modelling results from its human and livestock health assessment for an unignited well release under a worst-case scenario that showed the maximum distance to which exposure to 100 parts per million (ppm) H₂S over 3-minute averaging could occur was 7.8 km. Dominion stated, however, that it did not rely upon this modelling to support the determination of the EPZ. It acknowledged that these modelling results could only be considered part of a detailed quantitative hazard analysis that would look not only at peak exposures but also dose exposure levels and would not necessarily represent recommended EPZ distances. Dominion then emphasized that the modelling results for an ignited well release did not predict exceedances of the EUB mandatory evacuation criteria for sulphur dioxide (SO₂) outside of the applied-for EPZ distance.

Dominion stated that an EPZ boundary was used as a means of prioritizing and organizing response activities in order to best provide protection to the public most at risk but noted that its planning and response protocol did not stop at this boundary. Dominion acknowledged that it was still responsible for the area immediately outside the EPZ and stated that its ERP adequately addressed the safety of the public beyond the boundary designated by the calculated EPZ. Dominion maintained that the calculated EPZ and applied-for and corresponding ERP would be more than sufficient for the protection of public safety.

The Board understands that the calculated EPZ for any sour well is often modified in both shape and size as a result of stakeholder engagement and site-specific considerations. The Board recognizes that Dominion's ERP must address the safety of the public beyond the boundary designated by the calculated EPZ. However, the methodology for determining the initial or "calculated" EPZ must be based on the current EUB policies and requirements under which all applicants are held accountable for compliance. The Board is satisfied that the ERP developed by Dominion, as well as the extra safety measures and precautions that are used during the drilling of critical sour wells, will effectively protect and significantly reduce the risks to both humans and livestock. The Board notes that Dominion has met the necessary requirements and therefore will not condition the well licences as requested.

While the interveners did not request it, the Board conditions the well licences such that Dominion will confirm the resident, landowner, and transient information and any other area of the ERP that may be subject to change and submit a revised copy of the ERP to the EUB Public Safety Group prior to the drilling of each new well.

5.2 Other Commitments

Dominion acknowledged that the roles and responsibilities described in the ERP for the local authorities and regional health authorities did not accurately reflect the integrated command structure that it would likely implement in the event of an emergency. Dominion committed to revising its ERP to more appropriately describe the roles and responsibilities adopted by the local authorities and regional health authorities in the event of an incident.

The Board accepts Dominion's commitment to do so.

Dominion also committed to conducting an ERP simulation exercise before sour drilling and completion operations for each well and stated that all parties that objected to these well applications would be invited to attend. The objectives of the ERP exercise would be to

- ensure that all personnel on the well site are familiar with their assigned roles and responsibilities, specifically looking at both the well site consultant and his off-shift alternate;
- ensure that there would be good communication with all of the roadblock locations;
- determine the time it would take for the roadblock personnel to travel to their assigned locations;
- ensure that the evacuation centre is properly set up, including confirming communication with the evacuation centre, ensuring that the evacuation coordinator understands his roles and responsibilities and that the person assigned to the reception (evacuation) centre understands his respective roles and responsibilities;
- follow the (evacuation) bus route through Lodgepole;
- send rovers to various locations and ensure that they can communicate from each of these locations;
- implement Dominion's communication protocol to outside agencies such as the EUB, Brazeau County, and David Thompson Health Region, to ensure that the protocol is intact and working as intended; and
- confirm that the field-level site-specific ERP integrates with Dominion's corporate ERP in Calgary by placing a call to Calgary during the exercise and activating the corporate ERP.

The Board acknowledges that Dominion appears to have made a commitment to conduct an ERP simulation exercise before the drilling and completion of each well. While ERP simulation exercises for sour wells are not an EUB requirement, the Board does require every company to review its ERP by conducting a meeting with key responders no more than 96 hours before conducting operations in the sour zone(s). The Board would certainly not object to this commitment made by Dominion, but it does believe that this frequency of simulation exercises is likely excessive. The Board will require Dominion to invite EUB staff to participate in any exercise that takes place.

A summary of Dominion's commitments is in Appendix 3.

6 OTHER MATTERS

6.1 Participation in the EUB Process

The Board's application and hearing processes depend on the early sharing and full disclosure of information and concerns among parties. As the Board moved through the public hearing of Dominion's applications, it became evident that this exchange did not seem to have occurred. In particular, the Board is troubled that the specific concerns articulated by Mr. Coetzee, the McKays, and the Claypools during the proceeding were not communicated to Dominion or the

EUB until they presented their direct evidence at the hearing. Mr. Coetzee and Mr. McKay stated that they had signed the PAPA form letter and believed that it should have been clear to everyone that they were to be represented by PAPA. They also indicated that the PAPA concerns generally reflected their concerns. Based on the information provided at the hearing, it appears to the Board that no direct communication took place between the interveners and PAPA. As a result, the site-specific concerns and issues of the interveners were not communicated to PAPA, Dominion, or the EUB.

The Board has a duty to be fair to all parties that are engaged in its processes. The principles of procedural fairness require that an applicant must know the case being made against it and be given an opportunity to answer it before the Board makes its decision. Accordingly, in the Board's view, an intervening party must make its site-specific concerns known to the applicant and the Board well before the hearing. The *Alberta Energy and Utilities Board Rules of Practice* expressly require a party to file with the Board those documents that it intends to refer to at a proceeding. This can be done directly by the intervener or through his or her designated representative. Despite this requirement, the interveners at this proceeding introduced the vast majority of their evidence following the opening of the hearing without providing notice of their intention to do so to the applicant or the Board. In the Board's view, this approach was unfair to the other participants and resulted in a less efficient proceeding and unnecessary delay.

The Board has adopted certain prehearing procedures to be followed before a hearing takes place, including the issuance of a hearing notice, which requires disclosure of information on specific dates. In the Notice of Hearing issued on April 17, 2006, interested parties were required to provide written submissions by May 19, 2006, for this proceeding wherein their concerns would have been clearly identified and expanded upon where necessary. The submission should have clearly outlined the evidence and any expert reports that would be relied upon at the hearing, and copies of written evidence should have been provided with the submission. None of these criteria was met in this case.

6.2 Form Letters

The Board is aware that individuals sometimes rely on form letters when communicating their concerns respecting energy development. These form letters often contain a list of general concerns but fail to identify how a particular project affects a particular individual. The Board is of the view that form letters such as the ones used by the interveners prior to this proceeding are too general in nature and do not adequately convey the objector's site-specific concerns regarding a particular application. As a result of the reliance on the form letter used by Mr. Coetzee and the McKays, their specific concerns were never communicated to Dominion or the EUB prior to the hearing.

Mr. Coetzee and Mr. McKay indicated that by using the PAPA form letter, they were designating PAPA as their representative for these applications and had expected that all further communication would be conducted through PAPA. However, there was no clear indication in the form letter respecting PAPA's status as the representative for the signator of the letter. In determining standing for this proceeding, the EUB did not have any information available to it that could have been used to recognize PAPA as representative for the interveners other than Mr. Coetzee. The matter was further complicated by the fact that when PAPA was not granted standing in its own right, it apparently ceased to be the representative for Mr. Coetzee. This fact,

however, was not communicated to the EUB or Dominion until correspondence, in the form of an adjournment request, was forwarded to the EUB by the interveners and the Claypools' counsel.

Notwithstanding the fact that PAPA was not granted standing in its own right, it could have continued to represent Mr. Coetzee, the McKays, and the Claypools. As the representative of these parties, PAPA could have presented evidence or retained expert witnesses to address the specific concerns of their clients and thus have continued to play a direct role in this proceeding.

Any individual representing a party before the Board in a formal hearing process is expected to be fully acquainted with and to follow the *Alberta Energy and Utilities Board Rules of Practice*. Adherence to these procedures and practices will ensure a fair and transparent process for all parties. Board staff are available to assist parties that may be unfamiliar with the hearing process, including conducting an information session well in advance of the scheduled hearing.

If a form or generic letter is used to convey the initial objection of a person to the EUB and applicant prior to a hearing, the Board expects that this action be followed up with information regarding this party's site-specific concerns. In addition, if the third party that generated the form letter in the first instance is to be the representative of the person who signed the form letter, this information must also be provided to the EUB and the applicant.

6.3 Emergency Response Plans

The Board acknowledges that Dominion and other area operators, through PNOG, have made positive steps towards coordinating emergency response planning, such as developing standardized resident information packages. However, the Board believes that further work needs to be done in the Pembina area to identify the specific nature of landowner and resident concerns as they relate to ERPs and to develop effective solutions to these concerns where necessary or appropriate.

As such, the panel will be recommending to the full Board that it support the establishment of a committee comprising representatives from all affected stakeholders to investigate how to better coordinate emergency response planning in the Pembina area. The Board believes that it would be beneficial to invite industry representatives from PNOG, stakeholders in the local community, PAPA, Brazeau County, David Thompson Regional Health Authority, and the Town of Drayton Valley to work with EUB staff to facilitate broad solutions to the challenges of emergency response in the area. This review committee would be tasked with identifying the specific community concerns and whether standardization of ERPs would be the most effective solution to the identified concerns. The committee would develop recommendations on how to best manage the area concerns associated with the large number of ERPs currently being developed in the Pembina area.

The committee would attempt to reach consensus on its recommendations and submit a report to the Board within 6 months of the issuance of this decision. If appropriate, the Board will consider adopting the recommendations for use in the Pembina area.

Dated in Calgary, Alberta, on September 5, 2006.

ALBERTA ENERGY AND UTILITIES BOARD

<original signed by>

J. R. Nichol, P.Eng.
Presiding Member

<original signed by>

F. Rahmana, Ph.D.
Acting Board Member

<original signed by>

C. A. Langlo, P.Geol.
Acting Board Member

APPENDIX 1 HEARING PARTICIPANTS

Principals and Representatives
 (Abbreviations used in report)

Witnesses

Dominion Exploration Canada Ltd. (Dominion)	D. Davies, Ph.D., of Cantox Environmental Inc.
B. S. Gilmour	I. Dowsett, of First Response Emergency Service Ltd. on behalf of RWDI Air Inc.
L. A. Heidinger	P. Neave, P.Eng., of Dominion
	D. Webster, C.E.T., of Dominion
	D. Finley, P.Eng., of Dominion
	M. Hovrisko, of Black Gold Emergency Planners Inc.
K. Coetzee	K. Coetzee
G.S. Fitch	
K. McKay	K. McKay
G.S. Fitch	
L. Claypool	L. Claypool
G.S. Fitch	
J. and I. Obst	
G.S. Fitch	
C. Whitelock	
Alberta Energy and Utilities Board staff	
T. Bews, Board Counsel	
P. Didow	
C. Giesbrecht	
D. Schroeder	
K. Siriunas, P.Eng.	
J. Pane	
L. Isbister	

APPENDIX 2 SUMMARY OF CONDITIONS

The conditions imposed on the licences are summarized below. Conditions generally are requirements in addition to or otherwise expanding upon existing regulations and guidelines. An applicant must comply with the conditions or it is in breach of its approval and subject to enforcement action by the EUB. Enforcement of an approval includes enforcement of the conditions attached to that licence. Sanctions imposed for breach of such conditions may include the suspension of the approval, resulting in the shut-in of a facility.

CONDITIONS

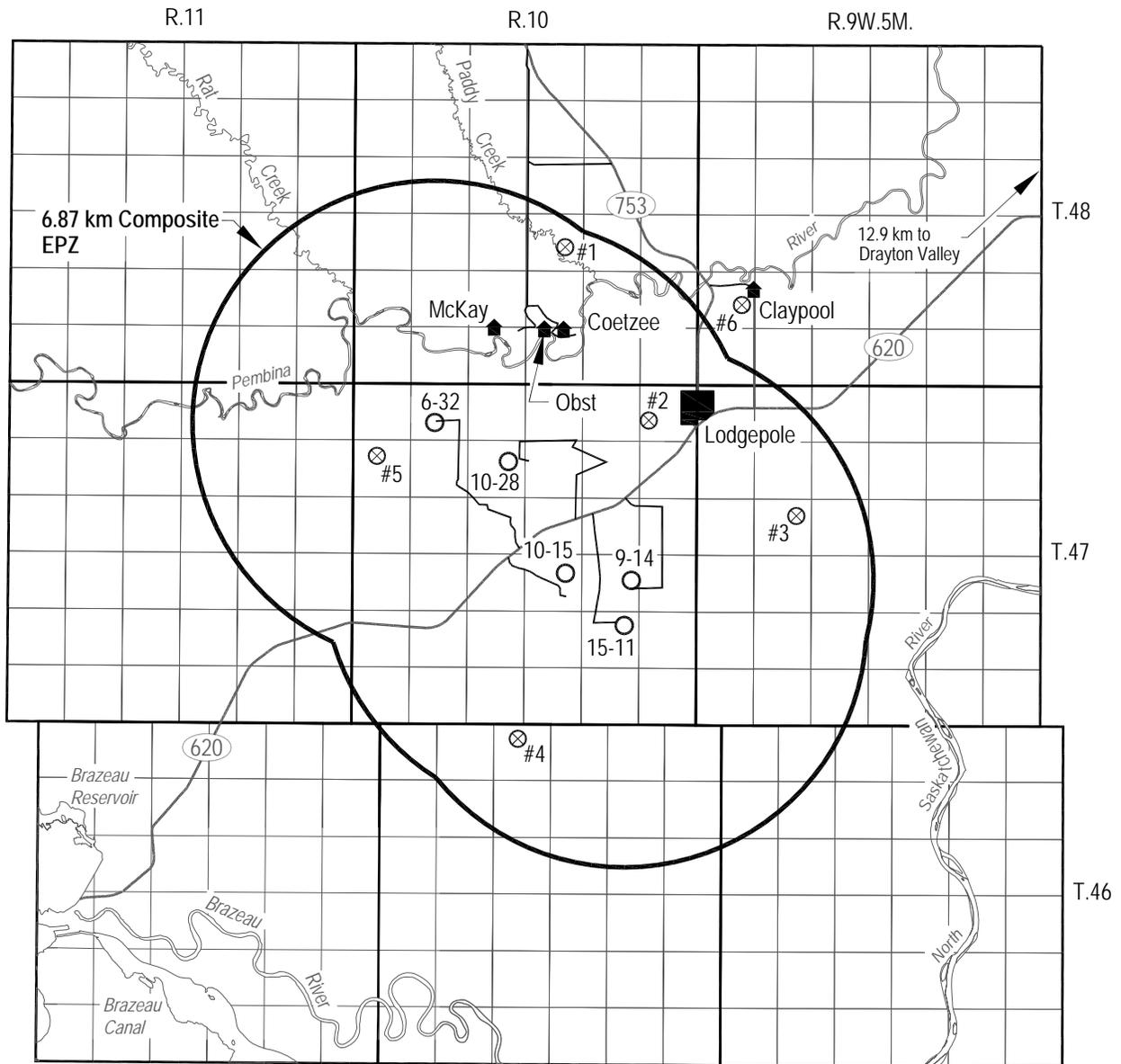
- 1) Dominion will confirm the resident, landowner, and transient information and any other area of the ERP that maybe subject to change and submit a revised copy of the ERP to the EUB Public Safety Group prior to the drilling of each new well.
- 2) The well licences and ERP will be granted for a term of two years.

APPENDIX 3 SUMMARY OF COMMITMENTS

The Board notes throughout the decision report that Dominion has undertaken to conduct certain activities in connection with its operations that are not strictly required by the EUB's regulations or guidelines. These undertakings are described as commitments and are summarized below. It is the Board's view that when a company makes commitments of this nature, it has satisfied itself that these activities will benefit both the project and the public, and the Board takes these commitments into account when arriving at its decision. The Board expects the applicant, having made the commitments, to fully carry out the undertaking or advise the EUB if, for whatever reasons, it cannot fulfill a commitment. The EUB would then assess whether the circumstances regarding the failed commitment warrant a review of the original approval. The Board also notes that the affected parties also have the right to request a review of the original approval if commitments made by the applicant remain unfulfilled.

COMMITMENTS BY DOMINION

- 1) Dominion commits to install a temporary air monitor in the vicinity of the Obst, Coetzee, and McKay properties at the commencement of sour drilling operations.
- 2) Dominion commits to have a rover posted during any period when the ERP is active at the junction of Highway 753 and Range Road 103 to ensure prompt notification and, if necessary evacuation of the Obsts, Mr. Coetzee, and the McKays.
- 3) Dominion commits to coordinate rig moves and other service and support traffic under its control so that they do not coincide with school bus operating hours.
- 4) Dominion commits to provide all members of the Coetzee family with cell phones during sour drilling and completion operations.
- 5) Dominion commits to conduct an ERP simulation exercise prior to conducting sour drilling and completion operations and to invite all parties who objected to these well applications to attend the exercise.
- 6) Dominion commits to revise the roles and responsibilities described in its ERP for the local authorities and regional health authorities to more accurately reflect the integrated command structure that would likely take place in the event of an emergency.



Legend

- ⊗ Air monitor station
- Proposed well
- 🏠 Residence
- Existing lease roads

Figure 1. Project area