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December 19, 2016

Anastasia Shukalkina, Hearing Services
Alberta Energy Regulator
Anastasia.Shukalkina@aer.ca

**Re: Shell Canada Report on Action Plan for ERCB Decision 2013-009
Waterton 68 Applications for Pipeline and Facilities Licences**

Shell Canada Limited (Shell) received approval from the Alberta Energy Regulator for the Waterton 68 pipelines and facilities on May 28, 2013 in ERCB Decision 2013 ABERCB 009. Appendix 4 to the Decision set out an Action Plan with action items and requirements for follow-up. Shell last reported on the status and evidence of completion of the Action Plan items on June 27, 2016. The following is an update to that report.

1. RWDI Recommendations: Partially Complete, Actions Ongoing

The AER directed Shell to install the first perimeter monitor at the Waterton 68 well site before producing the Waterton 68 well, with the other perimeter monitors being installed after the start of production and testing of the initial perimeter monitoring system. The perimeter monitoring system at WT-68 is currently operational and has been piloted to test viability long-term and at other sites. Shell has upgraded certain aspects of this system as detailed below.

Table 1 provides the most recent status of each of the open RWDI recommendations, with updated information noted in purple font. Shell will continue to provide regular updates on these initiatives through the Waterton Advisory Group (WAG) meetings.

2. RWDI Recommendations Progress Updates: Ongoing

The progress of implementation of the RWDI Recommendations have been discussed at all WAG meetings since the approval of the Waterton 68 pipeline and facility on May 28, 2013.

Due to limited activity in the Waterton area, Shell has postponed the fall 2016 WAG meeting to the spring of 2017. Shell hosted an open house on November 24, 2016 wherein various Shell personnel were present and available to stakeholders to discuss any questions or concerns. Additionally updates via email are still being sent out bi-monthly to stakeholders.

Development of new wells and infrastructure in the Waterton field is presented, when required, to the New Development Sub-Committee of WAG. The last NDSC meeting was October 14, 2015 and minutes were provided as part of the previous November 18, 2015 update to AER. The next meeting

will be scheduled in advance of potential new development so the committee can be involved in early evaluation. Shell also provides a bi-monthly activity emails to all WAG members which includes the NDSC members to keep them informed of timely updates in Waterton.

- Attached please find the three email updates from 2016
 - December 19, 2016 – WAG Email Update
 - October 24, 2016 – WAG Email Update
 - August 25, 2016 – WAG Email Update
 - June 28, 2016 – WAG Email Update

Table 1: Summary of Ongoing Actions Related to Open RWDI Recommendations

RWDI Recommendation Number	Recommendation Description ^a	Shell Updates (As of December 16, 2016)	Status
#3	Four perimeter H ₂ S monitors should be installed at each of the following six well sites: WAT junction, 6-16-6-2 W5M; TX-5-20, 5-20-6-2 W5M; TX-6-17, 6-17-6-2 W5M; WT-61, 10-7-6-2 W5M; WT-68, NE-1-6-3 W5M; and CA 6-12, 6-12-6-3 W5M.	<ul style="list-style-type: none"> The perimeter monitoring system at WT-68 is currently operational and is being piloted to test viability long-term and at other sites. Shell conducted a number of upgrades for the WT-68 perimeter monitoring station in the summer of 2016, which included replacement of fiber optic cables, upgrades to software, and the installation of new post foundations. Based on the upgrades conducted to the existing WT68, Shell will be advancing plans for the remaining five perimeter monitoring systems in 2017. Shell will keep the AER and WAG updated on progress as this work is undertaken. 	Ongoing
#4	Consider relocating the existing DAP unit to locations in the SCV that are downwind of sites where flaring activities are taking place in order to self-monitor and evaluate the downwind concentrations from these activities, or not use the units at all.	<ul style="list-style-type: none"> The DAP unit was removed from operation the week of December 7th 2015 (however, the AGAT-operated SCV continuous air monitoring station, as referenced in Recommendations #1 and #2 above, is still operational and results will continue to be shared through WAG). 	Complete
#5	Shell's participation in any future regional ambient air and environmental monitoring networks is recommended.		No Further Action Required At this Time
<p>NOTE:</p> <p>^a For full details on the recommendations, refer to the RWDI report entitled "<i>Ambient Air Monitoring Program Design: Screwdriver Creek Valley</i>" (dated December 5, 2012).</p>			

We trust that this information meets your current needs. If you would like to further discuss the information contained herein, please do not hesitate to contact me by phone at 587-233-4869 or via email at Molly.Minuk@shell.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Molly Minuk". The signature is fluid and cursive, with the first name "Molly" and last name "Minuk" clearly distinguishable.

Molly Minuk
Regulatory Specialist
Shell Canada Limited

Minuk, Molly SCAN-UPS/U/R

From: Sinclair, Rod SCAN-ERD/A
Sent: October-24-16 12:18 PM
To: Jennifer Lough
Subject: FW: WAG Update

Hi There

For some reason you weren't included on the original email I have since rectified and removed Paula also. Hope all is well.

Rod Sinclair Community Liaison Officer

My journey is not to arrive at my grave site rested and in a well preserved body.....but rather to skid in, jump off my horse and shout..... YAHOO.....what a ride!!

Shell Canada Energy
PO Box 1088, Pincher Creek, Alberta T0K 1W0, Canada

Tel: +1 403 627 7282
Email: Rod.Sinclair@shell.com



From: Sinclair, Rod SCAN-ERD/A
Sent: October-24-16 12:08 PM
To: 'Anne Loosen'; 'Anne Stevick'; Argument, Peter SCAN-UPU/N/FW; 'Barrie and Grace Orich '; 'Behn Morris'; 'Brent Barbaro'; 'Carolyn Aspeslet (CCWC) '; 'Cliff Elle '; 'Darryl and Valerie Carlson '; 'David Green'; 'David Green'; DeCock, Stephen SCAN-UPS/U/CF; 'Dick and Stephanie Hardy'; 'Donna Zoller '; 'Drew Rendall'; Fisher, Allison L SCAN-UPS/U/R; 'Fraser Stewart'; 'Gary Mills'; 'Gordon Petersen '; 'Grant, Deanna SCAN-UAS/E/CAON (Deanna.Grant@shell.com)'; 'James Tweedie'; 'Janet Casey'; 'Judy Huntley '; 'Karen Rendall'; 'Karla Reesor'; 'Kim and Patsy Hardy'; 'Kim Barbero'; 'Kyra Dziedzic'; 'Leo Reedyk'; 'Murray and Susanne Kirby'; 'Naomi Sanderson '; 'Nora Manners'; 'Norma Fairbairn '; 'Pat Neumann '; 'Patty Richards'; 'Paula Kersch'; 'Phil Hazelton'; 'Platman, Jennifer SCAN-UAS/D/IP (jennifer.platman@shell.com)'; Polvi, Steve SCAN-UPU/N/FT; 'Ron Schmidt'; 'Sarah Spranza '; Sinclair, Rod SCAN-ERD/A; 'Tara Cryderman'; 'Terry Gottenbos'; 'Wendy Kay'
Subject: WAG Update

Hello folks!

Hope all is well and your fall has been good. I am sending you some updates regarding plans for the Waterton Complex for the remainder of 2016. If you have any questions or require more details please feel free to contact me.

Well enhancement and interventions

- The Plunger lift program for the down-hole well enhancement at various sites throughout the field is nearly complete for this year.

Groundwater

- We are currently installing additional piezometers for ground water testing on properties directly east of the Waterton Complex as part of our ongoing Sulfolane groundwater monitoring program. These installations will be complete by months' end.

Pipeline Inspections

- Proactive pipeline digs are scheduled to start in the south end of the field in late October to further verify initial pipeline inspection results as part of our annual pipeline integrity and inspection program. There are a total of 6 digs between the mouth of Yarrow canyon and the Complex.

Development

- Shell submitted a well license application to the AER in mid-June for the WAT-78 well in the south field. We are currently awaiting an AER decision. If successful drilling may take place in 2018.
- We are currently evaluating development plans for 2017.
- We will update you as we move forward with these plans in future communications.

Environment

- The Waterton Complex has received its EPEA environmental operating license from the AER. The license was up for renewal as it would have expired in September of 2016. The renewal was approved and is effective August 5, 2016 and is valid for ten years. As a result of the new approval we will be optimizing our air monitoring program over the coming months. This process will include the removal of some redundant stations, as approved by the AER. The groundwater monitoring program will also be updated as per the new approval to further enhance the monitoring of Sulfolane and other parameters. The vegetation management programs are wrapping up for the year, with some final invasive weed control for certain creeping rooted plants occurring this fall for optimal results.

Reclamation

- We will be reviewing our plan for the 2017 abandonment and reclamation program. We have received the reclamation certification on WT-5 and are currently removing road access to site to obtain full certification for site. Current Hunt lands Area 2 and 3 DSA was completed and submission for reclamation certification in the works. WT-4 DSA completed and submission for certification sent. WT-21 reclamation certification should be coming soon. WT-19 Site completed and is currently seeded.

Social Investment

- Application for any Social Investment funds must be in no later than November 1, 2016.

General Information

- We will be hosting our annual Open house at the Twin Butte Community Hall on November 24th from 5 – 8pm at the Twin Butte Community Hall. Come out and join us for dinner. Shell representatives will be on-hand to answer any questions you may have.
- Waterton Advisory Group (WAG): Due to limited activity, we will not be holding a WAG meeting this fall. We would love to see you at our open house and look forward to a fulsome meeting in the spring of 2018.
- The Waterton Complex was awarded the Pincher Creek & District Chamber of Commerce Large Business of the Year Award for 2016.

If you know of neighbors or friends who are interested in receiving these updates, or if you would like to unsubscribe please get in touch with Rod Sinclair through email at rod.sinclair@shell.com or by phone at 403-627-7282. As always, if you have any questions, please do not hesitate to contact me. Talk to you soon.

Rod Sinclair

Community Liaison Officer

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Email: Rod.Sinclair@shell.com



Minuk, Molly SCAN-UPS/U/R

From: Sinclair, Rod SCAN-ERD/A
Sent: June-28-16 7:26 AM
To: Anne Loosen; Anne Stevick; Argument, Peter SCAN-UPU/N/FW; Barrie and Grace Orich ; Behn Morris; Brent Barbaro; Carolyn Aspeslet (CCWC) ; Cliff Elle ; Darryl and Valerie Carlson ; David Green; David Green; Dick and Stephanie Hardy; Donna Zoller ; Drew Rendall; Fraser Stewart; Gary Mills; Gordon Petersen ; James Tweedie; Janet Casey; Judy Huntley ; Karen Rendall; Karla Reesor; Kim and Patsy Hardy; Galloway, Brendan SCAN-ERD/A; Kim Barbero; Kyra Dziedzic; Leo Reedyk; Murray and Susanne Kirby; Nora Manners; janetcasey@jrtwave.com; Norma Fairbairn ; Pat Neumann ; Paula Kersch; Phil Hazelton; Platman, Jennifer SCAN-ERD/A; Ron Schmidt; Sarah Spranza ; Tara Cryderman; Wendy Kay; norma.fairbairn@gmail.com; Grant, Deanna SCAN-UPS/U/R
Subject: WAG UPDATE

Hello members of the Waterton Advisory Group -

Hope all is well and the start of your summer has been good. I am sending you some updates regarding plans for the Waterton Complex in 2016. If you have any questions or require more details on what is listed below please contact me.

Well enhancement and interventions

- Plunger lift installation is scheduled for down hole well enhancement at TX-6-17 in the Screw Driver Creek valley in mid-July for approximately 4 to 5 days of work.
- WAT-67 in the south field was tested and brought back in production successfully
- TX-A-3-4 well site west of Beaver Mines has resumed production after facilities repairs were completed successfully

Groundwater

- We will be installing additional piezometers for ground water testing on properties directly east of the Waterton Complex as part of our ongoing Sulpholane groundwater monitoring program.

Pipeline Inspections

- We have a number of locations throughout the Waterton field where we will be doing pipeline digs over the next few months to further verify initial pipeline inspection results as part of our annual pipeline integrity and inspection program.

Development

- Shell has submitted their application to the AER for the WAT-78 well in the south field.
- We are currently re-evaluating the future development plans. Our current plan to drill a second well on the WAT-68 lease in Screw Driver Creek Valley in 2018 has been postponed. We will update you with the results of those evaluations in our next email update and we will meet in the future with the New Development subcommittee for input.
- WAT-68 H2S perimeter monitoring modifications in the Screw Driver Creek Valley have been completed

Environment

- Waterton field dust suppression initiative in conjunction with the MD has been started
- The Nature Conservancy of Canada will complete their annual ground monitoring on the Shell-owned properties on which the NCC has caveats.
- Shell will be conducting work on the Drywood creek during the fish window in mid-August to increase armoring around culverts and improve fish passage.

Reclamation

- Wat-19 well site reclamation located due west of the Waterton Complex between Butcher and Carpenter canyons has started and will proceed thru late Fall. Materials are being trucked to the Waterton Complex Landfill.

General Information

If you know of neighbors or friends who are interested in receiving these updates, or if you would like to unsubscribe please get in touch with Rod Sinclair through email at rod.sinclair@shell.com or by phone at 403-627-7282. As always, if you have any questions, please do not hesitate to contact me. Talk to you soon.

Rod Sinclair

Community Liaison Officer

My journey is not to arrive at my grave site rested and in a well preserved body.....but rather to skid in, jump off my horse and shout.....YAHOO.....what a ride!!

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Email: Rod.Sinclair@shell.com



Minuk, Molly SCAN-UPS/U/R

From: Sinclair, Rod SCAN-ERD/A
Sent: December-19-16 7:44 AM
To: Minuk, Molly SCAN-UPS/U/R
Subject: FW: WAG Email update

Rod Sinclair Community Liaison Officer

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Email: Rod.Sinclair@shell.com



From: Sinclair, Rod SCAN-ERD/A
Sent: December-19-16 7:43 AM
To: Anna Eggert; Anne Loosen; Anne Stevick; Argument, Peter SCAN-UPU/N/FW; Barrie and Grace Orich ; Behn Morris; Brad Brush; Brent Barbaro; Carolyn Aspeslet (CCWC) ; Chris Coleman; Cliff Elle ; Darryl and Valerie Carlson ; David Green; David Green; DeCock, Stephen SCAN-UPS/U/CF; Dick and Stephanie Hardy; Donna Zoller ; Drew Rendall; Fisher, Allison L SCAN-UPS/U/R; Fraser Stewart; Gary Mills; Gordon Petersen ; Grant, Deanna SCAN-UPS/U/R; Janet Casey; Jennifer Lough aer; Judy Huntley ; Karen Rendall; Karla Reesor; Kathy Day; Kim and Patsy Hardy; Kim Barbero; Kyra Dziedzic; Lee McClelland; Leo Reedyk; Lorraine Robbins; Molly; Minuk, Molly SCAN-UPS/U/R; Murray and Susanne Kirby; Murray McFarland; Nora Manners; Norma Fairbairn ; Pat Anderson; Pat Neumann ; Patty Richards; Phil Hazelton; Phill Edmondson; Platman, Jennifer SCAN-ERD/A; Polvi, Steve SCAN-UPU/N/FT; Ron Schmidt; Sarah Spranza ; Sinclair, Rod SCAN-ERD/A; Tara Cryderman; Terry Gottenbos; Gottenbos, Terry SCAN-UPU/L/CE; Wendy Kay; Yvonne McNeely
Subject: WAG Email update

Hello folks!

Hope all is well and your winter has been good. I am sending you some updates regarding plans for the Waterton Complex for the remainder of 2016. If you have any questions or require more details please feel free to contact me.

Well enhancement and interventions

- The Plunger lift program for the down-hole well enhancement at various sites throughout the field is complete for this year.

Environment/Groundwater

- We have successfully installed six additional piezometers for ground water testing on properties directly east of the Waterton Complex as part of our ongoing Sulfolane groundwater monitoring program. Next step is to flow test them when weather conditions are acceptable.

Pipeline Inspections

- Proactive pipeline digs and repairs are complete in the south end of the field as part of our annual pipeline integrity and inspection program. There were a total of 6 digs between the mouth of Yarrow canyon and the Waterton Complex.

Development

- Shell submitted a well license application to the AER in mid-June for the WAT-78 well in the south field. The application is currently with AER. If successful drilling may take place in 2018.
- We continue to evaluate our development plans for 2017.
- We will update you as we move forward with these plans in future communications.

Reclamation

- We will be reviewing our plan for the 2017 abandonment and reclamation program. We have received the reclamation certification on WT-5 and have reclaimed the road access to the site. We will be working with stakeholders using some of our access roads that are listed for reclamation to insure they are aware and have time make necessary alternative access plans.

Social Investment

- Applications for 2016 are no longer being accepted.

General Information

- We hosted our annual Open house on November 24th from 5 – 8pm at the Twin Butte Community Hall. Just over 60 residents attended. Shell representatives were on-hand to answer questions. Supper was provided by Jenny at the Twin Butte store and was a hit. Door prizes were drawn for and given out to three lucky residents.
- Waterton Advisory Group (WAG): Due to limited activity, we will not be holding a WAG meeting until 2017. We look forward to seeing you in the spring. Stay tuned for confirmation on time, place and date.

Lastly we would like to wish you and yours a very Merry Christmas and a safe and happy holiday season.

If you know of neighbors or friends who are interested in receiving these updates, or if you would like to unsubscribe please get in touch with Rod Sinclair through email at rod.sinclair@shell.com or by phone at 403-627-7282. As always, if you have any questions, please do not hesitate to contact me. Talk to you soon.

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Email: Rod.Sinclair@shell.com



Minuk, Molly SCAN-UPS/U/R

From: Sinclair, Rod SCAN-ERD/A
Sent: August-25-16 10:27 AM
To: Anne Loosen; Anne Stevick; Argument, Peter SCAN-UPU/N/FW; Barrie and Grace Orich ; Behn Morris; Brent Barbaro; Carolyn Aspeslet (CCWC) ; Cliff Elle ; Darryl and Valerie Carlson ; David Green; David Green; Dick and Stephanie Hardy; Donna Zoller ; Drew Rendall; Fraser Stewart; Gary Mills; Gordon Petersen ; James Tweedie; Janet Casey; Judy Huntley ; Karen Rendall; Karla Reesor; Kim and Patsy Hardy; Galloway, Brendan SCAN-ERD/A; Kim Barbero; Kyra Dziedzic; Leo Reedyk; Murray and Susanne Kirby; Nora Manners; janetcasey@jrtwave.com; Norma Fairbairn ; Pat Neumann ; Paula Kersch; Phil Hazelton; Platman, Jennifer SCAN-ERD/A; Ron Schmidt; Sarah Spranza ; Tara Cryderman; Wendy Kay; norma.fairbairn@gmail.com; Grant, Deanna SCAN-UPS/U/R; Jennifer.Lough@aer.ca
Subject: WAG Email

Hello folks and members of the Waterton Advisory Group -

Hope all is well and your summer has been good. I am sending you some updates regarding plans for the Waterton Complex in 2016. If you have any questions or require more details on what is listed below please feel free to contact me.

Well enhancement and interventions

- Plunger lift installation is scheduled for down hole well enhancement at TX-6-17 in the Screw Driver Creek valley in Late August/early September for approximately 4 to 5 days of work.

Groundwater

- We will be installing additional piezometers for ground water testing this upcoming September on properties directly east of the Waterton Complex as part of our ongoing Sulpholane groundwater monitoring program.

Pipeline Inspections

- Proactive pipeline digs will be happening at a few locations in the Waterton field over the next few months to further verify initial pipeline inspection results as part of our annual pipeline integrity and inspection program.
- We are abandoning a 2" fuel gas line in the south field that was exposed in Spionkop Creek as a result of past flooding. It has been out of service for approximately one year.

Development

- Shell has submitted application to the AER in mid-June for the WAT-78 well in the south field and are currently awaiting an AER decision.
- We are currently re-evaluating future development plans. Our current plan to drill a second well on the WAT-68 lease in Screw Driver Creek Valley in 2018 has been postponed. We will update you with the results of those evaluations in future communications and we will meet in the future with the New Development subcommittee for input as information becomes available.

Environment

- Our weed spraying and picking crews have been busy managing weeds throughout the field. They have had their challenges with the weather but are managing to keep up as best as they can.
- Waterton Complex has received its EPEA environmental operating license from the AER. The license was up for renewal as it would have expired in September of 2016. The renewal was approved and is effective Aug 5, 2016 and is valid for ten years. As a result of the approval we will be optimizing our air monitoring program over the coming months. This process will include the removal of several redundant stations, as approved by the AER.
- Shell is planning to do some watercourse crossing repairs on the North Drywood creek, to improve fish passage and flood protection during the fisheries work window in August.

Reclamation

- Wat-19 well site surface reclamation located due west of the Waterton Complex between Butcher and Carpenter canyons is ready to be seeded. The location will continue to be monitored over the next couple years as we work towards obtaining a Well Site Reclamation Certificate from the AER..

General Information

If you know of neighbors or friends who are interested in receiving these updates, or if you would like to unsubscribe please get in touch with Rod Sinclair through email at rod.sinclair@shell.com or by phone at 403-627-7282. As always, if you have any questions, please do not hesitate to contact me. Talk to you soon.

Rod Sinclair Community Liaison Officer

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