

## Waterton Advisory Group

### Meeting Notes – May 1, 2014

#### Attendees

Name	Organization
Kim and Pat Hardy	Residents
Phil Hazelton	Resident
Conni Simons	Oldman Watershed Council
David Green	SASCI
Elaine and Ron Schmidt	Residents
Ron and Bernice Schmidt	Residents
Karen and Drew Rendall	Residents
Cliff Elle	Resident
Brent Barbaro	Resident
Darryl Carlson	Resident
Paula Kersch	Alberta Energy Regulator
Brad Chupka	Alberta Energy Regulator
Craig Hallden	Shell (Shell Environmental Coordinator)
Rick Mykitta	Shell (General Manager Foothills)
Glen Sine	Shell (Development Manager – Greater Foothills)
Peter Argument	Shell (Waterton Operations Manager)
Rod Sinclair	Shell (Waterton Community Affairs)
Jen Platman	Shell (Waterton Public Consultation)
Emma Guppy	Shell (Waterton Public Consultation)
Karla Reesor	Moving Forward Ltd.

*What follows is an informal summary of the topics and perspectives shared at a Waterton Advisory Group (WAG) meeting. WAG meetings are intended to supplement and not replace Shell's obligation to consult directly with affected stakeholders under the Alberta Energy Regulator's Directive 56. These Meeting Notes are a public document and the views shared within are the views of individuals and are not necessarily the consensus views of participants.*

#### 1. Introductions and Welcome

- All participants introduced themselves.
- Following are new WAG participants:
  - Paula Kersch from the Alberta Energy Regulator – Paula is replacing Rhonda Busch who is now working in a different role at the Alberta Energy Regulator.
  - Peter Argument from Shell – Peter is the Waterton Operations Manager.

- Emma Guppy from Shell – Emma is the Waterton Public Consultation specialist.

## **2. Update from the New Development Subcommittee**

- Glen Sine, Rod Sinclair and Darryl Carlson provided an update from the New Development Subcommittee.

### **Waterton 68**

- Shell received regulatory approval in May 2013 to build a new 1.2 km sour gas production pipeline; the well license was approved by the regulator prior to the permit being given for the pipeline, and the well has already been drilled.
- Shell is currently closing out on commitments and conditions for the pipeline license, and finalizing construction details.
- Construction is planned to begin on May 20, 2014. Weather and plans permitting.
- Shell will build a well site facility in parallel with the pipeline.
- There will be about 35 to 40 days of activity, taking place up to the middle of July.
- After that, equipment will be demobilized and an in-line testing program will begin for the well.
- There are two zones that could be tested in the well – if the first zone has enough volume and production, Shell will put it on stream and not test the second zone.
- If the second zone is needed, testing and completion would carry on into October.

### **Waterton 77**

- A well license application was submitted to the Alberta Energy Regulatory on April 10, 2014.
- Detailed well planning is on-going.
- The rig is currently in the Rocky Mountain House area and is expected to be moved to Waterton in mid-July.
- Drilling will take 3 to 4 months (approximately August to November).
- There will be heavy traffic when the rig is moved to the site and at the end when drilling is complete; there will be approximately 130 loads for the move each time.
- Drilling and completion will take 4 to 6 weeks and tie in is anticipated in the January 2015 timeframe.
- The Waterton 77 well is being drilled at the Waterton 67 well site.
- A question was asked about the term “lease preparation”; Shell indicated that lease refers to the well site, and the preparation primarily includes levelling the site.

## New Development Subcommittee Meetings

- Three meetings were held since the last WAG meeting:
  - November 2013 – The group had an overview of Shell's potential new development and discussed next steps for the group.
  - January 2014 – The group visited the well site, drove on the planned traffic routes and discussed the project plans.
  - April 2014 – The group drilled and completed the well on paper, with a focus on safety and discussion of the strategies that are used to avoid incidents. Members of the community and residents within the WAT 77 EPZ were invited to participate at the meeting and there was a good turnout.
- The Subcommittee may meet again to review the Traffic Management Plan in detail and to finalize Performance Measures.
- Shell has agreed to use the Shell Loop Road rather than Riviere Road to access the WAT 77 wellsite when it is safe and practical to do so.
- Shell is constructing two large pull-outs at the Highway 6 intersection of the Shell/MD road towards the plant. Pullouts will be built so that 6 b-train trucks can pull over; the use of the pull-outs will help to minimize impacts for local traffic.
- Shell introduced a detailed spreadsheet that will be used to plan and manage traffic; Shell will be monitoring traffic daily to minimize the impacts and will work to avoid inconvenience to local road users and to maintain safe use of the roads for all.
- It was noted that residents are primarily concerned about safety; residents felt the April New Development session was very helpful and that it provided a good opportunity for them to learn about safeguards in well construction and operation.
- Some residents noted that Shell should be complimented on the how they are working to minimize the impact on residents; the detailed traffic spreadsheet is an indication of the level of effort that has been put into the planning.
- Shell is not using Gladstone Road; for Waterton 68, Shell will be using the Seven Gates Road. For Waterton 77 vehicles will come off of Highway 6 on to the Shell/MD road to the plant and then use the Shell Loop Road to access the well site.
- Shell acknowledged that there will be a lot of traffic; the Shell traffic liaison will be tracking the Shell traffic for each project, and will also try to keep informed about community traffic (e.g. cattle being moved); Shell is hoping to work in partnership with the community to manage the traffic.
- Shell will need to manage both the volume and speed of traffic; rig moves will take more effort and Shell is confident they can manage the moves well.
- If anyone has any concerns or questions about traffic, they should contact Shell (Rod Sinclair).
- A resident noted that a communication glitch prevented some community members from attending the April meeting; the meeting was very positive

for those who attended, and the learning is that for the traffic flow to work well, Shell will need to make sure that there are no communication glitches.

- Shell indicated they would be very willing to re-do the April session if additional community members would like to participate and acknowledged that communication will be key going forward.
- Trucks hauling aggregate will be coming from Highway 3 to Highway 6 and will not go through town.
- Janet Wittig, Highway 6 intersection traffic liaison & Joan Kocsis, 7 Gates Road traffic liaison, they are available to the public and the contractors, so anyone should feel free to check in with either of them about traffic matters; contact information will be shared with the community.  
*Janet.Wittig@shell.com; Joan.Kocsis@shell.com Phone numbers TBD once trailers are in place.*
- All Shell traffic will stop at the traffic trailer at the Highway 6 intersection, similar to the Seven Gates Road traffic practice; public traffic is not expected to stop at the trailers.
- The intent is for Shell to be as informed as possible so that Shell can load level its own traffic; others will not be expected to adjust their traffic.
- There will be two trailers in operation during their respective traffic projects – one on Seven Gates Road and one on Highway 6 intersection.
- A question was raised about how Shell coordinates with other industry operators in the area with regard to traffic, and the role of the MD; Shell indicated that they do not expect other operators to adjust their traffic; Shell is getting a lot of cooperation from the community and expects to be able to load level from day to day.
- Questions were raised about the loads that are being hauled; Shell noted that trucks will be hauling aggregate and other fill, as well as equipment (e.g. the rig) and well fluids from operations such as propane, butane, and condensate.
- The Highway 6 intersection traffic trailer is expected to be moved in when work begins on the pull-outs on the road; work is beginning on the pull-outs during the week of May 5, and Shell anticipates that everything will be done by May 12, weather and plans permitting.
- Aggregate will not be moved until the pull-outs are complete.
- A question was raised about when a response is anticipated from the regulator; Shell indicated that there is no set timeframe and that they are hoping to have a response by mid-July; Shell did not request an expedited review.
- Shell appreciates the time given by the New Development Subcommittee members.
- Shell is currently at the start of its business planning cycle and is looking at what Shell might continue to invest in the Waterton area; by the fall, Shell will have an indication of what the future might look like and will share that with WAG.

### 3. Operations Report

- Peter Argument reviewed operations for the field and the Waterton Complex for January to the end of March 2014.
- Integrity events – 0 from January to March 2014.
- Odour Notifications – 5 from January to March 2014; 1 was confirmed as a Shell source (a truck without a scrubber); for the other 4 notifications, there was no source confirmed.
- Traffic Notifications – no speed, noise, dust or other notifications from January to March 2014 – there may be an increase in notifications over the spring and summer when there is more activity in the area.
- Emergency Response Exercise – on April 16, 2014 the Shell Waterton Complex held an emergency response exercise that simulated a pipeline release scenario and used the shelter in place as a means of protecting residents in the area. The intent of the exercise was to test Shell's ability to notify, mobilize and respond to the simulated event. The exercise involved:
  - Over 50 personnel (participants and observers)
  - Three local residents
  - Five external agencies
    - Alberta Energy Regulator
    - RCMP
    - Pincher Creek Emergency Services
    - Pincher Creek Search and Rescue
    - Alberta Health Services.
- Shell hired a consultant (BEHR with collaboration from the AER and certain Shell officials) to plan and oversee the 'blind exercise'; Shell staff knew that there would be an exercise, and did not know when it would occur or what the incident would be.
- The exercise went from 9:00 to noon, and then there was a debriefing meeting.
- This exercise was one of the conditions to be met from the last hearing; in particular, Shell was asked to test the ability to work with partners in responding to an incident.
- A question was raised about "blow-outs" – what are they? Shell indicated that a blow-out refers to a loss of control while drilling, and usually refers to a complete loss of control; a blow-out is extremely unlikely and yet it can occur; to avoid it happening, Shell takes many steps; barriers are put in place to avoid it and controls are in place to recover if it does happen; there are many sensors on the rig to monitor what is happening; each rig also has an Emergency Response Plan (ERP) – the Waterton 77 ERP was approved in late April 2014.
- For the operations reporting, why is the term "notification" used rather than "complaint"? Shell indicated that they previously logged all calls as complaints and has changed the language because some contacts are inquiries and not necessarily complaints.

- A resident noted that Shell trucks are most courteous when they see another vehicle or pedestrian; they are very respectful.
- Shell appreciates the feedback; being courteous and respectful is an important value for Shell.

#### **4. Air Monitoring**

- Craig Hallden provided an update on the air monitoring trailer that was installed on Seven Gates Road in early March.
- Inside the trailer there is a desk with a computer; the monitor tracks wind speed, hydrogen sulphide (H<sub>2</sub>S) and sulphur dioxide (SO<sub>2</sub>).
- From the Waterton 68 hearing, some participants were concerned about air quality so Shell committed to adding the trailer; the location of the trailer was determined by air quality experts based on dispersion modelling.
- The new trailer is the 6<sup>th</sup> trailer for the Waterton Complex and this is the highest number of air monitoring trailers for any operation in Alberta.
- Shell also has 46 passive monitors to collect the average H<sub>2</sub>S and SO<sub>2</sub> over a month.
- At the new trailer, data has been collected since late March 2014.
- So far the analyzers have only picked up background H<sub>2</sub>S (which is naturally occurring).
- The real-time data will be available on-line; a password will be required and can be available to any one.
- A tour of the air monitoring trailer will be planned for later in the spring or summer.
- There was an issue with the installation of power; the Fortis contractor left a mess on the site; Shell is working with Fortis to resolve the issue.
- Anyone interested in accessing the air monitoring data or going on the site tour is asked to contact Rod Sinclair (Shell).
- A question was raised on how data from the air monitoring stations is accessed from the plant; Shell indicated that the alarm points for the stations are set below regulatory requirements and are at low enough triggers for Shell to be able to react before there is a serious risk; the other 5 monitors are connected to the control room; this new 6<sup>th</sup> monitor is a one-year pilot and if it continues after a year, it will also be tied into the control room; one of the conditions of the well license is to install monitors around the perimeter of Waterton 68 as a pilot.
- In a discussion about the cost of the air monitors, it was noted that analyzers have come down in price similar to TVs and computers; the tie-in to SCADA is a significant cost; other costs include the site preparation (gravel pad) and technicians travelling from Calgary.
- Each trailer is visited once a month by a third party service provider and Shell staff visits each trailer each week.

## 5. WAG Communication Strategy

- Jen Platman introduced Emma Guppy as the current Public Consultation Specialist for Waterton, and Emma provided an update on the proposed communication approaches for Waterton.
- Current communications for Waterton include:
  - WAG
  - New Development Subcommittee
  - Printed newsletter - annual
  - Open House – annual
  - One on one engagement – as agreed/requested by stakeholders
  - Shell activity notification - e.g. phone calls as needed/requested by stakeholders
- Shell is proposing to increase communication to interested parties using email; the email messages could be monthly, or as needed, and may include updates on reclamation, drilling, traffic and plant activities; the messages could also include good news stories.
- Shell would like to know if people want to receive the email updates and will gauge interest over the next few months; there will always be the option for people to be added or removed from the updates list and anyone is invited to request a change by contacting Rod Sinclair.
- At the open house, Shell could also invite the public to be added to the email notification list if the pilot is deemed successful over the next few months.
- Residents indicated that receiving more information by email would be helpful and were supportive of the new approach.
- A question was raised about websites, and Shell indicated it would not be an option to provide information to the Waterton community using the corporate website; Shell has also looked at using the Synergy Alberta website and that may be an option in the future; the advantage of email is that it would be in real-time.
- The new email updates would not replace any of the usual notifications for flaring or non-routine work.
- A resident noted that a few years back there was a notification for Waterton 64 residents in the Emergency Planning Zone to stay in their homes; it was an example of where the follow up after the incident could have been better. If issues are raised by email, Shell needs to be sure that appropriate follow up occurs. Residents would appreciate follow up after the incident is fully resolved to let residents know how the incident was resolved, and to thank residents for their cooperation.
- Shell indicated that they have been working on improving follow up using a new call-out system and other approaches, and will also continue to develop a fit for purpose follow up response.
- The follow up is important to ensure that there is consistent information in the community about what happened; this new email approach could support that.

- Shell will provide the email updates initially to everyone on the WAG list and anyone can be asked to be removed from or added to the list.
- Additional questions were raised related to traffic and signage:
  - Q – Will there be signs at the entrance to the Shell Loop Road?  
Could signs be used if there are road issues that residents should be aware of?  
A – Shell is limited in the signage that can be used at the main road; there will be signs for the rig move and some trucks will be convoyed.
  - Q – Will there be a safe turnaround for the big trailers?  
A – The new pull-outs would allow a turnaround, but it would be on a public road; trucks would need to turn around when it is safe to do so.
  - Q – Could signs indicate if traffic on any given day is expected to be high, medium or low (or colour code – green, yellow or red)?  
A – Shell will look into that option; it will be most important for Shell to stay in touch with local residents who will also be using trucks on the road.

## 6. WAG Participant Updates

### Residents

- Residents noted that they have heard stories about layoffs at the plant, and that changes at the plant also affect the community.
- Shell indicated that they have reduced staffing at the plant and there were some layoffs; Shell has changed what occurs in the plant somewhat, e.g. there was previously a projects group and now they no longer have that group at the plant; some engineers have been relocated to Calgary to centralize the engineering support; business is tight and many companies are divesting and trying to concentrate their business; Shell is looking for efficiencies and to make the organization leaner.
- Shell confirmed that they are not taking their focus off the business; the intent is to work smarter and make sure Shell is doing the right things.
- Shell acknowledged the impacts on the community and is trying to maximize efficiency to keep the plant economical.
- Residents commented that changes at the plant should be shared with the community; Shell could consider putting the information in the newsletter or sharing at the open house; the community goes through economic development planning and those folks need to have an awareness of Shell's intentions as Shell is a key contributor in the community.
- Shell will look at how to share the information; Shell also noted that the number of people is not what protects the community; there will be no plan to reduce the safety and integrity programs; in some other communities, Shell has been invited to speak to economic development committees and would welcome the opportunity to do that in the Pincher Creek area.



- Residents also expressed their disappointment that Shell is continuing to use trucks rather than a pipeline to move volatile fluids.
- Shell indicated that the pipeline that was operated by another company is no longer available; Shell had hoped that trucking would be a temporary solution and agreed that the safest way to move the product is by pipeline; Shell is doing everything it can to mitigate the risks of carrying the product by truck.
- A resident noted that they would like to have had a public notice of the change from using the pipeline to trucking; they only heard about it as an aside at the last WAG meeting.

#### Oldman Watershed Council – Conni Simons

- Protecting headwaters is a key component of an integrated watershed management plan, and the Oldman Watershed Council has developed a Headwaters Action Plan.
- Shell has participated in the planning and the Council is currently waiting for government approval of the Action Plan.
- Shell may be interested in some aspects of the Action Plan, specifically related to linear features.
- Shell indicated that they already have a commitment for no net linear increase in the Waterton area and would be pleased to arrange a meeting with the Council.

#### Alberta Energy Regulator (AER) – Paula Kersch

- The Waterton area is part of the AER's new South Region; Paula provided a number of new AER materials, including a map outlining the regions.
- The last of the AER implementation was completed at the end of March, and the AER is now fully functioning.
- The changes have resulted in a number of new staff joining the AER; it is a learning phase for all, and they are working to be best in class.
- A question was raised on when industrial approvals would shift to the AER; Paula agreed to look in it and to follow up after the meeting.