

**Waterton Advisory Group**  
**Meeting Notes – October 28, 2015**

**Attendees**

<b>Name</b>	<b>Organization</b>
Darryl Carlson	Resident
Fraser Stewart	Resident
Ron Schmidt	Resident
Brent Barbero	Castle Mountain Stock Association (Castle Stock Association)
James Tweedie	Castle Crown Wilderness Association (Castle Crown Wilderness Coalition)
Nora Manners	Waterton Biosphere Reserve Association
Quentin Stevick	Councillor, MD of Pincher Creek No. 9
Behn Morris	Alberta Energy Regulator (AER)
Steve Polvi	Shell (Development Manager - Greater Foothills)
Elizabeth Jack	Shell Continuous Improvement Coordinator
Stephen DeCock	Shell (Waterton Complex Environmental Coordinator)
Rodney Wickenheiser	Shell (Waterton Complex Operations Superintendent)
Rod Sinclair	Shell (Waterton Community Affairs)
Jen Platman	Shell (External Relations)
Allison Fisher	Shell (Environment Engineer and Reporting Team Lead)
Christian Reuten	RWDI, Technical Director/Associate Leader – Air Quality
Karla Reesor	Moving Forward Ltd.
Jessica Dyck	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**

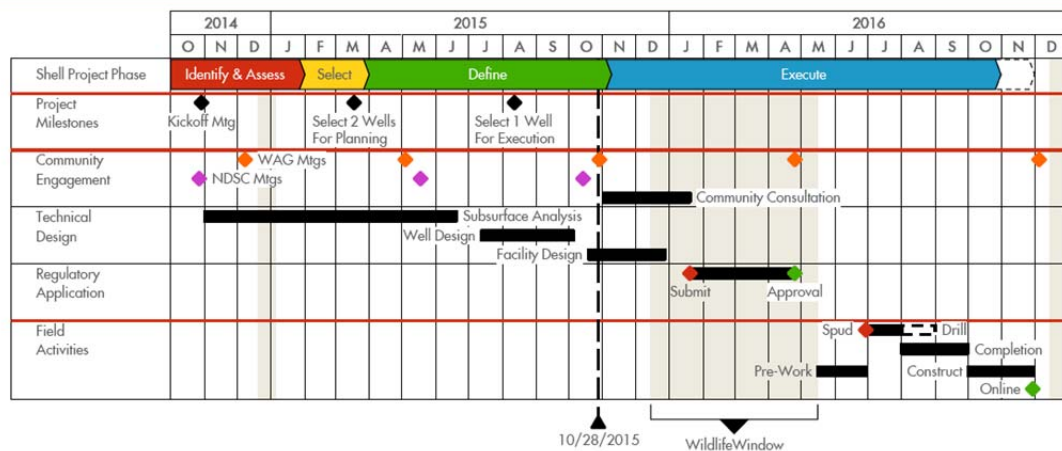
- All participants introduced themselves.

**2. Shell Waterton Development Plans for 2015-2016**

- Steve Polvi provided an update on Shell's plans for the Waterton area.

- Shell is currently working on two options for a well location and is incorporating input received from the New Development Sub-Committee (NDSC).
- Two possible locations for an additional well are being considered. The WT-78 lease area is currently the preferred well site and WT-68 is the alternative site.
- Considerations for siting the well include:
  - Stakeholder input (residents, regulator, partners).
  - Minimizing the footprint and impact.
  - Focusing on the most profitable wells (liquids).

## Waterton Drill 2016 – Notional Planning Overview



### Planning considerations

- Target spud summer / fall 2016
- Wildlife zone restrictions, land use
- Technical work – Subsurface, well & facility design
- H2S Release rate pre-approval by AER
- Regulatory application review timeline
- Early engagement of multiple groups – Landowners, public, grazing assoc., Shell (Wells, Projects, Operations), etc.
- Use of New Development Sub-Committee for feedback

### New Development Sub-Committee Update

- A meeting was held on October 14, 2015. Participants included AER, MD of Pincher Creek, landowners and Shell.
- Shell presented the plan to drill WT-78 on Freehold land and described why the location was acquired.
- Discussions with the NDSC included:
  - Size of the well site – will accommodate two wells, approximately 100 metres by 130 metres.

- Downhole for the well would be under the park, and there would be no downhole impact for this well.
- Traffic management plan for WT-78 would be identical to the plan for WT-77.
- Other than DAR activities, it is anticipated to be business as usual at the plant.
- WT-78 adds an economic consideration to FID and has a significant impact on extending the life of the field. Prices have an impact, but not a significant impact, on the end of field life.

#### Emergency Response Planning (ERP)

- It was noted that the Castle Special Management Area will now be in the ERP zone.
- A resident noted that the new designated area is called the Castle Special Management Area and not Castle Mountain. Shell will look into updating the map.

#### Update on Burmis 2-24

- Poor cementing with initial drilling of the well has resulted in Surface Casing Vent Flow (SCVF).
- Shell is continuing to make progress to reduce the SCVF.
- Squeezes are happening at the 1000 metre range at this point; well is approximately 4000 metres.
- Shell believes that the sources are close to the surface of the well.

#### Enhanced Protection of the Castle Area

- Shell is supportive of the creation of the Castle Special Management Area; Shell is currently seeking to understand what it will mean for the existing leases.
- A community member noted that they understand that Shell will operate with best practices so why would practices change? Shell confirmed that they do not anticipate a change in practices and they will be meeting with government representatives to gain a better understanding of expectations for the area.
- Any additional future footprint may be impacted.

### **3. Operations Report**

- Rod Wickenheiser reviewed operations for the field and the Waterton Complex for 2015 to date.

#### Integrity and Odour Events

- Integrity events – 0 to October 20 in 2015.

- Odour Notifications – 23 in 2015, with 16 confirmed as a Shell source. Shell is working on changes with condensate truck loading processes to reduce the likelihood of odours.

#### Traffic

- Traffic Notifications – 4 complaints to date in 2015, with 3 related to Shell traffic.

### **4. Air Monitoring Update – Summary of One-Year Data Technical Review**

- Christian Reuten from RWDI provided an overview of the ambient air monitoring data collected over a one-year period in the Screwdriver Creek Valley (SCV).
- In addition to the data collected from continuous and passive monitors, the emissions information reviewed included:
  - Seven flaring events of vent/vapour tank gas at Waterton 68.
  - Pigging (2 times per week at Waterton Junction and 1 time per week at Junction 6-12).
  - Six short-term upsets events at Waterton Complex.
  - Historical monthly and annual emissions at Waterton Complex.
- A question was raised about the volume/pressure of the flaring events. The events are included in a monthly report and most of the volumes are below the reportable limits. A community member noted that significant improvements have been made over the past 20 years.
- At the SCV Continuous Station, the maximum values and averages for SO<sub>2</sub> and H<sub>2</sub>S were very low in comparison with Alberta Ambient Air Quality Objectives (AAAQO) and odour detection thresholds.
- A community member noted that even with the low levels of emissions, there are still approximately 6000 tonnes/year of chemicals being released per year that would not otherwise be released without the oil and gas activity.
- For the continuous and intermittent mobile monitors, the maximum and average results for SO<sub>2</sub> and H<sub>2</sub>S were well below the AAAQO and odour detection thresholds.
- Shell is hoping to have the mobile air monitoring unit at the Shell open house in November in order to provide a demonstration.
- Conclusions and Recommendations from RWDI:
  - Continuous station is downwind of flaring activities and capable of picking up potentially elevated concentrations due to flaring activities in the SCV.
  - Emissions over the study year were representative of recent historical emissions.
  - Full year of data provided a broad spectrum of meteorological conditions.

- During the study year, observed concentrations were typical of background levels and well below their respective AAAQO and odour detection thresholds.
- Based on the data review study, the SCV continuous monitoring station has not measured any exceedances of the AAAQO or any concentrations over odour detection thresholds due to flaring activities in the SCV. All values are well below objectives.
- This suggests that continuation of the SCV continuous station is unnecessary, and that this station can be removed from operation.
- A question was raised about whether it makes sense to discontinue the air monitoring if Shell will be doing additional work in the area. Shell is considering that scenario and future development plans will play a factor into Shell's decision on whether or not the trailer will be kept in operation..

## **5. Shell Environmental Protection and Enhancement Act (EPEA) Approval Renewal**

- Stephen DeCock provided background on the EPEA approval process and an update on the renewal.
- Shell's approval expires in September 2016.
- Shell is intending to file a renewal application with the Alberta Energy Regulator (AER) in November 2015 so that there is plenty of time prior to the expiry of the current approval.
- The current EPEA approval is available for public review on the AER website. The application will cover all environmental related conditions and requirements for the Waterton sour gas processing plant for the next 10 years.

## **4. WAG Participant Updates**

### **Synergy Alberta**

- Fraser Stewart is a Board Member for Synergy Alberta and informed the group that his term as a representative of the community sector on the Board expires in the fall of 2015. He indicated that the Synergy Alberta conference provides valuable information on a range of topics and is a good opportunity to learn about other Synergy Groups.
- The next Synergy Conference will be held in Calgary on November 2-4, 2015. The conference will include sessions on a broad range of topics that may be of interest to WAG participants.
- WAG participants who may be interested in attending the conference are invited to talk further with Rod Sinclair or Jen Platman.
- Further information about Synergy Alberta and materials from past conferences are available at <http://www.synergyalberta.ca>

### **Alberta Energy Regulator (AER)**

- More than a year ago, the AER launched a project to understand and define the traits of a “best in class” regulator.
- The University of Pennsylvania was the successful bidder for the project and has recently completed its work with the release of a report titled *Listening, Learning and Leading: A Framework for Regulatory Excellence*. The full report and an executive summary are available on the AER website at <http://www.aer.ca/about-aer/spotlight-on/regulatory-excellence-initiative>.
- All interested stakeholders are invited to provide feedback to the AER on the implementation of the recommendations by going to [www.talk.aer.ca](http://www.talk.aer.ca).

#### Green Schools Initiative

- A community member noted with appreciation that Shell Canada has sponsored a Green Schools initiative for the Pincher Creek community. If anyone is interested in being involved on a personal level with the program, they are invited to be in touch with Nora Manners. The objective of the program is to have youth form a relationship with the land.

#### Shell Open House

- Shell will be holding an open house in the community on November 26, 2015. A notice of the open house will be forthcoming.

#### **Next WAG Meeting: Spring 2016**