

Urban Drilling FAQ

Following are answers to common questions regarding the issue of urban oil and gas drilling. Written responses are provided by individuals and agencies who participated in a public panel discussion during a Community Issues Committee meeting on Feb. 24, 2014.

Municipal Responsibilities and Jurisdiction

(Panel members: Jeff Greene, Director of Planning & Development for City of Lethbridge & Brian Cornforth, Fire Chief for City of Lethbridge)

1. Can the City deny an exploration company access to water and electricity?

Answer: Yes - the City of Lethbridge operates the water and wastewater services as well as the electric utility and can deny access.

2. Are there existing oil or gas wells in Lethbridge? If so, how many are there, where are they located, and how long have they been there?

Answer: There are presently 25 wells within the boundaries of the City based on information provided to the City by the Alberta Energy Regulator. The majority are in the southwest area of the City and include 11 oil wells, 1 drilled and cased oil well, 4 suspended oil wells, and 1 injection well (these are located in the River Valley). There are 5 sweet gas wells that are located above the River Valley on the plateau, 2 sweet gas wells in the northwest City limits and 1 sweet gas well in the southeast of the City. There are 9 abandoned wells in the City. In some cases wells were drilled and never produced. Many of the wells appear to have been inherited by the City of Lethbridge when lands were annexed from Lethbridge County in 1984, and we have no records on these. The sweet gas wells in the southwest were drilled between 1994 and 2000.

3. What is the municipality's and exploration company's responsibility regarding evacuation and/or emergency response in the event of a dangerous incident at an urban well site?

Answer: The primary responsibility for the incident response is with the company conducting the drilling. They are responsible to plan and identify any risks that will impact the public and environment in the immediate area. This includes evacuation and the control of any fire or leak. The level of response and evacuation is based on the potential hazards identified in the emergency response plans and the regulations in Directive 071 of the Alberta Energy Regulator: <http://www.aer.ca/rules-and-regulations/directives/directive-071>

4. Can a municipality prevent an exploration company from using dangerous goods routes to transport chemicals and drilling materials to urban drilling sites?

Answer: The exclusion of a particular company or organization from transporting dangerous goods would be evaluated on a case-by-case basis. The primary reason to exclude any company would be on the level of risk of the material being transported. For example, it would be legally challenging to allow a fuel delivery company a permit but exclude a company hauling similar products.

5. What are the dangerous goods routes in Lethbridge and what are the rules regarding their use? Who enforces dangerous good routes?

Answer: Dangerous goods routes and regulations are controlled by municipal bylaw under the office of the Fire Chief. Permits are required for transporting companies. They are tracked and monitored while transporting goods. In cooperation with Lethbridge Regional Police Service, the bylaw is enforced through fines and Provincial traffic regulations.

Click on the following link to see the Dangerous Goods Route map:

<http://www.lethbridge.ca/living-here/Maps/Documents/Transportation%20Maps/Dangerous%20Goods%20and%20Truck%20Route%20Map.pdf>

Click on the following link to read the Dangerous Goods Bylaw:

<http://www.lethbridge.ca/City-Government/Bylaws/Documents/Dangerous%20Goods%205254.pdf>

6. Are city firefighters trained and equipped to deal with drilling-related emergencies?

Answer: The operational capacity and training of the fire department staff is focused on the core of our typical community risks. This includes the handling of chemical releases and spills that require specialized air monitoring and immediate rescue of injured. The specialized equipment and skills to manage a well-head event are the responsibility of the company conducting the drilling. Any response to a well site emergency is coordinated by the drilling company in cooperation with the fire department resources. The municipality does have the authority to take over coordination of any well site event that they determine is not being managed properly or allocated resources properly to deal with the emergency event in a safe and timely manner.

7. How quickly can urban neighbourhoods be evacuated during an emergency at a drilling site?

Answer: There are many variables to the length of time required for any evacuation of the public in the immediate areas deemed at risk by the regulations in Directive 71 of the Alberta Energy Regulator. Depending on the time of day and weather conditions, evacuation may be a small area of the community or larger area. The evacuation area is dependent on the risks identified in the emergency plan submitted to the Alberta Energy Regulator. Typically, higher risk situations require elaborate planning for evacuation and emergency ignition of any leaking product from the well. Lower risk wells may have an evacuation area as small as 10 metres around the well head.

Tenure and How Mineral Leases are Awarded

(Alberta Energy)

1. How do resource companies obtain mineral rights in urban areas?

Answer: Alberta Energy issues agreements by public auction, which is known as the land sale. To acquire an agreement, a company must be eligible under Section 23 of the *Mines and Minerals Act*. Most commonly this requirement is met by being a registered corporation in Alberta. Industry submits posting requests to Alberta Energy for parcels of land to be included in the public offering process; Alberta Energy does not post rights for sale.

Alberta Energy holds an average of 24 sales per year and the sales cycle is 17 weeks long. Each sale has a two-week period where industry requests postings of rights. The next seven weeks allows Alberta Energy time to review the land and refer the requests to the Crown Mineral Disposition Review Committee (CMDRC). The CMDRC is made up of several government departments that review the land to ensure that the correct type and level of restriction is placed on the land. These include: “no restriction,” “restricted access,” or “no access.” At the end of the seven weeks Alberta Energy publishes a Public Offering Notice, advertising all parcels to be available at the next sale, in eight weeks’ time. Industry uses the eight weeks to plan bidding strategy. Alberta Energy conducts the electronic sale and awards the parcels to the highest bidders. Results are published the same day.

For more information on the petroleum and natural gas land sale, visit:

<http://www.energy.alberta.ca/Tenure/607.asp>

In Alberta, 81 per cent of minerals belong to and are administered by the Crown through Alberta Energy. The remaining 19 per cent are freehold mineral rights owned by private individuals and companies or minerals owned by the federal government.

For more information on mineral rights in Alberta, visit:

<http://www.energy.alberta.ca/OurBusiness/tenure.asp>

2. Under what circumstances would Alberta Energy be willing to buy back mineral rights already sold in urban areas?

Answer: Once petroleum and natural gas agreements are sold by public auction, Alberta Energy does not usually buy back the rights. There have been rare instances where policy direction from the Minister of Energy has led to agreements being cancelled and lessees being compensated under the Mineral Rights Compensation Regulation, as was the case with the establishment of the Lower Athabasca Regional Plan and the Fort McMurray Urban Development Sub-Region.

- 3. GoldenKey Oil holds the mineral rights under parts of Lethbridge. Have mineral rights within any other urban parts of Lethbridge been sold to any other exploration companies? If so, where are they and who owns them?**

Alberta Energy's Crown Land Data Support/Client Registry provides information on Crown mineral dispositions and activities in Alberta, including ownership of any petroleum and natural gas agreements in the Lethbridge area. If clients do not have access to the Electronic Transfer System, they can submit search requests to the Crown Land Data Support / Client Registry at 780-422-1395 (call toll free 310-0000) or by sending an email to:

CrownLandDataSupport@gov.ab.ca.

For more information on Crown Land Data Support / Client Registry services, visit:

<http://www.energy.gov.ab.ca/Tenure/1069.asp>

Drilling Processes

(Dr. Douglas Schmitt, University of Alberta)

We are awaiting written responses from the panel participant. Questions and responses will be posted here as soon they are available.

Regulatory Framework and Public Safety

(Alberta Energy Regulator)

Please refer to the separate [Alberta Energy Regulator FAQ](#)

Public Health

(Alberta Health Services)

- 1. How does Alberta Health Services monitor air and water quality around drilling operations?**

In Alberta, the monitoring of air and water around drilling operations is the responsibility of the company that has received approval to for that well drilling operation. The company is required to be in compliance with the directives stipulated by Alberta Energy Regulator (AER). AER has assumed responsibility for the regulation of the protection of ground and surface water as they relate to oil & gas development, and thus, AER is responsible for responding to complaints about the drilling operations and water concerns. Alberta Environment and Sustainable Resource Development (AESRD) is responsible for following up if there are concerns that Alberta's ambient air quality objectives are not being met or there are exceedances of existing emission licences.

Should there be concerns about drinking water, Alberta Health will coordinate with AER and AESRD; likewise, if there are concerns that the drilling operation is creating a situation which is or may be injurious to health.

It is not the responsibility of Alberta Health Services to routinely monitor air or water quality around drilling operations.

2. What are the health effects and health risks of flaring and exposure to hydrogen sulphide or other drilling-related emissions?

For the proposed wells in Lethbridge, based on information provided by the AER, the projected potential concentrations of hydrogen sulphide would only be of potential health concern to persons working the actual drill site if an unplanned release were to occur. In the event of an unplanned release, individuals NOT working on site may notice an odour.

The health concerns related to flaring depend on the composition of the liquids and gases that are being flared or combusted, the efficiency of the combustion process, the combustion products being produced and the duration that the flaring is occurring. If flaring is planned as part of the well drilling, the duration of the flaring should be confirmed. It should be limited to as short a period of time as possible by connecting the well's production into a pipeline system. This will eliminate the potential health risks from the combustion products associated with the flare, as will appropriate incineration processes.

3. What authority does Alberta Health Services to order drilling operations to cease if they are deemed to pose a risk to public health? (i.e. fumes from flaring, etc.)

Under the Public Health Act and the Nuisance and General Sanitation regulation, if an Alberta Health Services Executive Officer (Medical Officer of Health [MOH] or Environmental Public Health Officer [EPO]) identifies an exceptional a circumstance that is creating a condition that is or may be injurious to health, the AHS MOH or AHS EPO could issue an order requiring that the person responsible take action to stop or correct the circumstance.

In the case of Oil & Gas activities, should conditions be created that present an identifiable health threat to the public, Alberta Health Services would work with Alberta Energy Regulator - the primary agency responsible - to ensure that an operator takes immediate action to stop the health risk.

Exceptional circumstances would need to exist for Alberta Health Services to use independent authority, rather than relying on the Alberta Energy Regulator to use its authority to correct the situation.

Please direct all other health-related questions related to urban drilling to Alberta Health Services: AskSouthZone@alberthealthservices.ca

Any non-health related questions should be directed to the appropriate agency. AHS cannot respond to every specific email or query individually. AHS will compile the questions and answers on the South Zone section of the AHS website:

<http://www.albertahealthservices.ca/south-zone.asp>