

LFWA /

Meeting Agenda - 7 Mar

1. Welcome / Introduction Col Ellis

2. Getting Back to Work in Current Environment

3. Indemnities in Master Access Agreements and Partial Assignment Agreement Al Reid

s.19(1)
s.20(1)(d)

4. Difficulty with Conditions Generally

5. Specific Conditions

- Approvals

o D-12 Battery SG Drilling

*wetland
using
more approval
study long on
rough pilot*

o CE Loop

o C Stn Pipeyard move & water recycling pilot

o 2D-3 pipeline

*for study, only
sufficiently water to be
recycled.*

- Upcoming Projects

o D-9, D-7, D5, BI-11 Battery Shallow Gas Drilling

o 12-15 Bow Island Drill (one well)

o A1-9 Pipeline

- Specific Conditions

o 16 wells per section ceiling *no limit to wells per site*

o Full strip leases in order to ensure safe operations *where near to meet safety near*

No o wetland (and coulee edge) mitigation

o sumps *need approval*

o secondary containment for drilling operations (manned vs. unmanned systems) *issue is for HAZMAT (drip pans etc)*

o clean-up time limitations *To be wanted/wanted correct*

o Redoing Wildlife surveys and Rare Plant surveys (need for the work)

o Timing Restrictions on Eos *to be sorted w/ timing*

6. CFB Suffield Comments LCol Drew

7. Summation Col Ellis

CFB Suffield O & G Issues Update:

6 March 06

Background:

- Rights to O & G were transferred to the Prov under various MOAs in 1970's, natural gas in 75 and oil in 77. Partial assignment in 1999 further transferred rights such controlling deep well drilling in the NWA to create SIRC.
- Development was conducted under Alberta Energy Company (a prov entity) interest and activity was low.
- In late 1990's AEC and PanCanadian Petroleum were merge and spun off from gov't to create a private company called EnCana.
- At the same time oil and specifically gas activity picked up (1998).
- Suffield Industry Range Control (SIRC) is the agency responsible for managing range control issues for O&G development on the Base. It is paid for by the oil industry, primarily EnCana.
- Suffield Env Advisory Committee (SEAC) advises the BComd on O&G issues and is comprised of a rep from Env Can, ABEUB and AB Env

MAJOR ISSUES:

1) National Wildlife Area Environmental Assessment:

- EnCana application for installation 1275 gas wells in the NWA (doubling #).
- Triggered a Comprehensive Study as per the CEEA regulations.
- Public consultation required. >100 responses, 65% requesting either no development or elevation to a Panel Review.
- DM briefed this past Friday. CLS, DM & ADM(IE) recommended Panel.
- Next steps: BN and recommendation to MND to fwd to MOE who makes irrevocable decision.
- Panel is good for DND as it places process and decision with an independent body.

s.20(1)(c)

s.20(1)(d)

2) O & G Operations on CFB Suffield:

- This is an area of growing conflict and tension between [redacted] and the Base over the last ~2 years.
- There were assumptions made that EUB and AB Env were inspecting, monitoring and regulating O&G activities on the Base. As this is federal land they were not doing so. In addition EUB (the main AB regulator) only does limited audits of operations to verify compliance.
- It was also found that

In other words there was no significant inspection/monitoring of O&G operations on CFB Suf'd. This was of concern especially given the increase in activities.

EUB(?)

- Sub-issues are:

- i. **Permitting/project approvals:** The Base has now reviews project applications (drilling, pipeline ROWs) based on Environmental Overviews (EOs - EAs are not req'd on the Base due to the MOAs). They have been approving projects and putting a number of restrictions or conditions on the projects. A key permit issue has been avoidance of wetlands which is req'd under the Federal Wetlands Policy. Protection of wetlands is an important aspect in this area of the prairies, it is identified as a critical area in the federal policy. This issue is a key irritant.

Avoidance of wetlands ??

These requirements will be elaborated on in the upcoming revised RSOs. The base permit conditions are requirements similar to other agencies such EUB but may be more restrictive (should to shall).

- ii. **Well Density:** These are the number of wells that can be drilled on a section of land and again is a key irritant in operations. The BComd has placed a moratorium limiting development to 16 WPS. The base is the last remaining tract of shortgrass prairie in Canada. As a landowner and steward it is important to maintain its integrity and ensure it is not fragmented to the point it is endangered through invasive or introduced species. We also have to ensure that is it in a condition suitable for sustained military trg. As this time there is no definitive science or req to support that position however there are a number of studies assessing range condition but further time is required. program now requires infill drilling to increase return from the fields. In other words approaching and exceeding the 16 WPS.

(?)

- iii. **O&G revenues:** and the Base are in discussions over fees for wells. This has been ongoing for a number of years and BComds. This has gone to mediation with the EUB, first meeting - 14 March.
- iv. **Utilizing O&G revenues/Increased staff:** The Base put in a submission to the LFWA Comd, and subsequently staffed to CLS, identifying and proposing to staff an O&G cell and potentially use O&G revenue. This was returned through CLS requesting further detail and development of a business case. The proposal does require elaboration and some rationalization but has merit. As the landowner the BComd needs to ensure adequate monitoring and protection for liability, due diligence and proper stewardship. Current pos of LFWA Comd.
- v. **BComd Actions:** The current BComd has taken this issue seriously and challenged the previous methods and process. He is looking at protecting the env and DND abilities and right to both use and manage the land. It is a new process put into place over the last ~2 years. Some is based on science, some of intention/best practice and some based on his position as land owner. There were 3 large newspaper article based on BComd interviews that presented his position publicly and

They

Revenues
s.20(1)(c)
s.20(1)(d)
s.21(1)(a)
s.21(1)(b)

have weekly telecoms to discuss issues

- vi.

Comment on recent letters issued to LFWA Comd. has agreements in place in which they believe they have rights to access which are being restricted.

In part there is the reaction to that. In spring 2005 they met with the DMs of CEAA and DND. They have also had briefings with BGen Beare.

LCol Davis is the lead on this issue. Depending on the outcome of the two meetings below

- vii.

MOAs: The MOAs are dated 1975 and 1977 and therefore do not have the level of clarity or env prot measures that a new document would have. The agreements were between governments and did not anticipate the level of activity. The 1999 agreement I am not as familiar with.

- viii.

Underground Gas Storage Facility: The Base holds a unique underground gas storage formation. While it was thought to be used by it was found that they were storing other operator's gas.

*Learned
Boyer
DND Realty
Luzen*

3) Next Steps:

- i. 7 March 06 - A meeting at LFWA HQ between the Base and LFWA HQ to bring the current operating/permitting issues to the table.
- ii. 14 March 06 - The initial Alternate Dispute Resolution meeting in Calgary. It is hosted by EUB with a contract facilitator. Participation by Suf'd, LFWA HQ, (DOJ), (3 other operators) AB DofEnergy, EUB, SEAC, EC and AB Env(?)
- iii. I will be attending as AEnv Adv. The invitation was cc'd to 1ASG COS and we have had some discussion. AEngr may attend due to growing prop issues. Your direction from an 1ASG perspective is requested.
- iv. Req that the Base provide an env brf to 1 ASG senior staff during handover.

*What about
some (10) joint operators??*

s.20(1)(c)
s.20(1)(d)
s.21(1)(a)
s.21(1)(b)
s.23

Neill Thompson
AEnv Adv

**AGENDA
APPROPRIATE DISPUTE RESOLUTION (ADR)
PRELIMINARY ADR MEETING
SUFFIELD ADR**

Date:	Tuesday March 14, 2006	s.19(1)
Time:	10:00 – 4:00 (lunch provided)	s.20(1)(d)
Location:	EUB building, 640 5th Ave SW, Calgary 2nd floor, West Hall	s.21(1)(a)
Facilitators:		s.21(1)(b) s.21(1)(c)

1. Introductions

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CONSULT WITHHELD s.21(1)(a), s.21(1)(b), s.21(1)(c), s.20(1)(d)