



INFORMATIONAL LETTER IL 93-9

13 December 1993

To: All Oil and Gas Operators

OIL AND GAS DEVELOPMENTS EASTERN SLOPES (SOUTHERN PORTION)

EXECUTIVE SUMMARY

This informational letter (IL) was developed by the Energy Resources Conservation Board (ERCB) to confirm to all oil and gas operators the information required for developments along the southern portions of Alberta's Eastern Slopes. These requirements have already been communicated by ERCB staff directly to some companies with active development plans in this region. This IL is intended to ensure a common understanding of ERCB requirements exists among any other potential operators in this area, as well as other potentially affected parties.

The key points of the IL are:

- Any company intending to develop a project in the region is expected to carry out a thorough and effective public consultation program consistent with the sensitivity of the area proposed for development. The program should document both issues identified and resolved.
- At each stage of development (i.e. initial pool delineation, subsequent delineation, pool development) a potential operator will provide, in as much detail as practical, its best estimate of the overall extent of development. This is required in order to avoid piecemeal proposals and to ensure that the overall scope and potential impacts of the development, if permitted, are clearly understood.
- Applicants will be required to carry out environmental assessments for each proposed development stage. These environmental assessments will be of sufficient detail to allow the Board to determine whether the project's economic benefits and mitigation programs sufficiently outweigh any remaining social and environmental costs (i.e. that the project is in the overall public interest). The level of detail expected in any environmental assessment will vary with project stage, the ultimate scope of development, the relative sensitivity of the proposed development area, and the extent of other existing and potential developments (both energy and non-energy related) in the area.
- Operators proposing developments within this region are expected to consolidate their plans and activities with other operators to the greatest degree practical wherever this may reduce area impacts.

The ERCB is of the view that this approach to the planning of new developments within the Alberta Eastern Slopes will be of benefit to operators, directly-affected parties, and to the general public.

Ultimately, it is expected that this program of public consultation, project pre-planning, environmental assessment, and coordination of corporate activities will significantly help to ensure that, should developments proceed with the Eastern Slopes, they will occur in a manner which best meets the interests of all Albertans.

INTRODUCTION

The Eastern Slopes region of Alberta, particularly from Highway #1 south to the United States border (Figure 1) has the potential for significant oil and gas exploration, development, and production activity. At the outset, it must be acknowledged that the environmental sensitivities of localized areas within the region defined by Figure 1 are highly variable. As a general guideline this IL applies to undeveloped or minimally-developed areas; however, circumstances may exist such that the expectations are appropriate for certain developed areas also. Initial consultation with ERCB staff and other stakeholders would assist in determining the applicability of this IL to a given area.

The Board recognizes that this IL presents a broader regulatory approach to oil and gas development in the Eastern Slopes which is still evolving. For this reason the ERCB considers this IL as an interim document, and is prepared to revise it as circumstances warrant.

BACKGROUND

Following the posting and subsequent sale of mineral leases for several large parcels of land in the southern portion of the Eastern Slopes, various interest groups and individuals raised concerns about the possible impacts of the potential development. These mineral leases were reviewed by the Crown Mineral Disposition Review Committee (CMDRC) prior to posting and sale by the Alberta Department of Energy (AE).

The CMDRC is chaired by the Land Reclamation Division of Alberta Environmental Protection (AEP) and includes representation or available advice from all departments, agencies and boards which have a direct interest in land use, resource development and utilization, and protection of the environment and the natural resources of the province. It reviews each parcel requested for posting to determine whether surface access is possible and, if so, whether access restrictions are necessary. Surface access may be unrestricted (except for specific requirements under existing legislation), subject to additional restrictions such as increased setbacks from valley breaks, limited to specific time frames to protect wildlife, or may be prohibited. This committee follows the resource management policies and guidelines contained in the cabinet-approved Integrated Resource Plans (IRPS) and forwards its requirements to AE, also a CMDRC member, for inclusion in the postings.

The ERCB is responsible for the licensing of oil and gas wells in Alberta. As a part of that responsibility, the ERCB must ensure that exploration and development drilling, as well as subsequent production operations in a given area, are appropriate and in the public interest and that environmental impacts are acceptable.

GENERAL EXPECTATIONS

With this as background, the ERCB is aware that many forms of industrial and recreational development have already occurred throughout the Eastern Slopes region. Further, the Eastern Slopes Policy and related IRPs provide a framework for land use planning and management. The ERCB therefore believes that it does not have the mandate to assess the appropriateness of the Eastern

Slopes Policy or IRPS, but does have the obligation to assess the impacts of a proposed energy development and the appropriateness of it for the affected area in light of that policy. The Board may conclude for instance, that while development may be permissible under an IRP, the proposed development may not be appropriate for the specific area. The ERCB therefore believes that the public interest in the Eastern Slopes region presents a need for a somewhat broader regulatory review than may be typical in more developed areas of the province.

To this end the ERCB has four main areas for which it has certain expectations, as follows:

- Public Consultation - Proponents of energy developments in this region are expected to have early and open consultation with interested parties to identify stakeholders and specific issues, baseline environmental data and further data requirements, and attempt to resolve as many issues as possible. Initial consultation with ERCB and AEP staff would assist in scoping out issues and stakeholders. Applications are to be accompanied by a full description of the consultation process, issues identified, issues resolved, and status of remaining issues including research needs.

The consultation process should provide for a focusing of issues and resolution of as many of those issues as possible. ERCB staff are prepared to assist in the event cooperative discussions are not achieved but would expect the proponents of the development to do the necessary ground work. Because of the potential sensitivity of the area it is expected that proponents would go well beyond the normal consultation process. Whereas public hearings may be necessary, the Board believes mutual resolution of the issues outside the hearing process remains the preferred route, as it may provide for a broader scope for resolution than does the hearing process.

A multi-stakeholder committee known as the Eastern Slopes Environment and Energy (ESEE) Committee has been established, intended to foster communication on oil and gas development issues in the Eastern Slopes. Represented on the committee are member companies of the Canadian Association of Petroleum Producers (CAPP) that have an active interest in the region, AEP, AE, ERCB staff, and several environmental interest groups. The Board supports this process and encourages on-going dialogue amongst all stakeholders.

- Development Plans - The ERCB expects applications such as well licences (initially) and other surface disturbances such as pipelines and facilities (later) to be submitted as a part of a "development plan" rather than on a piece-meal or single-well approach. Accordingly, the ERCB requires applications, including several or multi-wells as appropriate, for the following phases:

1. Pool Delineation (initial) - The ERCB acknowledges that a definitive development plan is usually not possible at the outset. However, it is important that even with the first exploration well some outline of the conceptual developments be provided. This information, of course, cannot be very definitive but will be helpful in scoping out potential impacts and related issues. This stage of development could involve several wells, rather than separate single wells, and should address conceptual pipeline and production facility plans as well as details of measures proposed to minimize the impacts of drilling, production, and testing operations.

This phase should include baseline environmental information for the impacted area of the potential development. This information, referred to as an "environmental assessment", would be intended to assess specific sensitivities of a given area to evaluate whether or not development is indeed appropriate within that area.

2. Pool Delineation (subsequent) - Recognizing that further delineation needs may result from initial development (should this proceed), a subsequent delineation plan may be

necessary. Should this be the case, the ERCB expects composite plans rather than single-well proposals and more definite plans for mitigation of impacts from drilling, production, and testing operations (e.g. pads, innovative testing methods). Elaboration of pipeline facility proposals would be expected also. Delineation proposals are to include well locations and associated drilling and waste management aspects, access, and test/short-term production scenarios.

3. Pool Development - Upon delineation, a pool development plan encompassing all facilities, pipelines, and associated infrastructures would be expected. The overall objective would be to minimize the intrusion and to mitigate the impacts wherever possible.

The Board accepts that initial and subsequent delineation phases would typically provide only conceptual future plans which are subject to revision depending on drilling and testing results. Each phase is subject to a separate application and, if appropriate, public hearing process. It is therefore intended that the initial delineation phase establish whether development in the area is appropriate and, if so, what issues must be addressed in subsequent development phases. The application process for subsequent phases then provides for assurance that previously-defined issues are properly addressed, and also provides for review of new issues.

- Environmental Assessments - The oil and gas well developments currently proposed for the Eastern Slopes region are set out in Part 2, Division I of the AEP Environmental Protection and Enforcement Act (EPEA) as activities for which an environmental impact assessment is not required by AEP. Notwithstanding, the ERCB will require proponents to file quality environmental data to properly assess the overall benefit/cost of these proposals. Applicants will be requested to provide to the ERCB a thorough "environmental assessment" which includes, but is not limited to, the following information:
 - (a) an analysis of surface site and access road selection and construction procedures;
 - (b) an analysis of baseline environmental conditions and major areas of concern;
 - (c) a description and analysis of the significance of environmental, economic, and cultural impacts including regional, temporal, and cumulative effects;
 - (d) options and plans to mitigate these impacts, including reasons why they should or should not be implemented;
 - (e) plans to monitor predicted impacts and the success of mitigation measures;
 - (f) emergency response plans and contingency plans to deal with unpredicted impacts;
 - (g) description and results of initial public consultation programs and details of any future programs proposed; and
 - (h) plans to minimize accidental substance release to the environment and to minimize waste.

The aforementioned represents areas that the ERCB believes necessary to assess the overall impacts of a proposed development. The ERCB believes, however, that the level of detail which this information can or should be provided will vary depending on the phase of development being proposed. For example, requiring a full, comprehensive environmental assessment may not be reasonable or even necessary during the exploratory or "initial delineation" phases of a project.

It may still be necessary, however, to conduct sufficient environmental baseline analyses to determine what specific sensitivities exist and also to determine whether some form of development is appropriate within the project area. At the point where the potential for fullfield development is more clearly defined, by comparison, comprehensive attention to the full range

of environmental assessment criteria may be warranted. It is also recognized that the environmental sensitivities of regions within the Eastern Slopes are variable, and it is reasonable to expect that the level of detail of the environmental assessment information be consistent with the sensitivity of the area proposed for development. That is to say that for areas of lower sensitivity, an overview assessment may suffice, compared to an area of high sensitivity where thorough treatment of all environmental assessment criteria would be appropriate. As a rule areas that have had little or no intrusions will be considered to be more sensitive.

In any event, the ERCB will expect the applicant to identify the sensitivity of the area and matters of potential impact early in this process and to discuss these with both government the public to ensure the final application deals with all relevant issues, and in the appropriate level of detail to allow the Board to consider the applications.

- Consolidated Plans Amongst Operators - Operators proposing developments within the Eastern Slopes area would be expected to consolidate efforts, to whatever degree possible, involving sharing seismic or reservoir/test data, pooling efforts and resources, and use of common roads, pipeline and utility right-of-ways, and general infrastructure with efforts aimed at minimizing surface impacts and disturbances.

The ERCB's objective in documenting these expectations is to ensure sufficient information is available to make informed decisions that are in the public interest. Given the level of public interest, the Board has assigned staff to assist with and aid in coordination of the process, particularly when discussing applications under the jurisdiction of the ERCB. Notwithstanding these resources, the ERCB reiterates that it relies on the proponents of the developments to take the lead role in identifying issues, contacting interested and affected parties, and resolving issues where possible.

Questions or concerns may be addressed to Mr. Nelson Lord at 297-8159 of the Board's Drilling and Production Department, or Mr. Roger Creasey at 297-3187 of the Board's Environment Protection Department.

signed by

F.J. Mink
Vice Chairman

and

J.P. Prince, Ph.D.
Vice Chairman

[Figure 1:](#) Eastern Slopes Southern Portion (map)

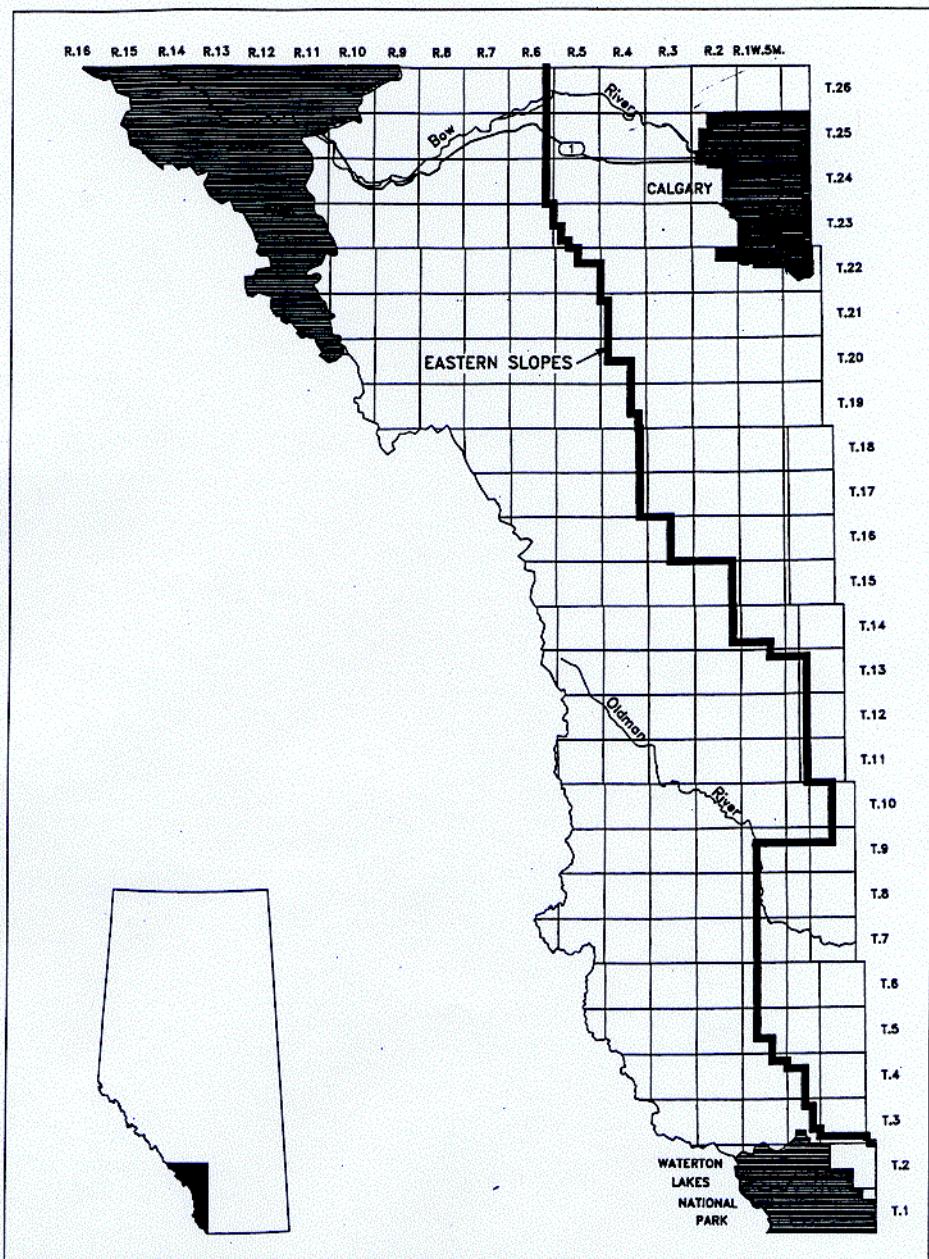


FIGURE 1 : EASTERN SLOPES SOUTHERN PORTION