



Finding a balance between Dollars and Danger

Alberta's Energy and Utilities Board must decide if the benefits of new sour gas wells outweigh the risks to Calgary's citizens

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You could call it the 11-kilometre gap.

But it may as well be 11,000 kilometres when you consider the gulf that separates the opposing views of Compton Petroleum Corp.'s plan to drill new sour gas wells on the edge of Calgary.

Will it be an ultra-safe operation that will extract millions of dollars in natural gas from the ground and get poisonous sour gas wells out of the way for new Calgary suburbs?

Or, like the supposedly unsinkable Titanic, is it a display of hubris that isn't worth the risk to thousands of Calgarians whose lives could be in jeopardy if something goes wrong?

The answer is up to three members of the Alberta Energy and Utilities Board, who now have to decide if Compton's plan is acceptable and whether the company should have to guarantee the safety of some 300,000 Calgarians living within 15 kilometres of the proposed wells or only about 1,000 people within about four km of the wells.

It's also a decision many believe will impact the way future sour gas development unfolds near cities and towns across the province.

"We know this is a watershed application and it could change the way sour gas is dealt with in Alberta," said Derek Longfield, Compton's vice-president of special projects.

"There's no doubt other jurisdictions are watching this very closely."

After weeks of testimony representing the opinions of thousands of people for and against Compton's plan, the energy board now has three months to render a decision on what is considered the riskiest sour gas venture in the province's history.

To do that, the board must sift through conflicting opinions and analyses of Compton's plan to add up to six new wells to the existing well site it has operated 1.1 kilometres from the city limits for the last 20 years.

It must then decide whether the proposal is in the public interest, considering the wells will produce gas containing 36 per cent hydrogen sulphide (H₂S) -- a chemical lethal to humans in small amounts -- next to one of the most densely populated areas of the province.

The EUB panel was presented with mountains of evidence over the course of the 30-day hearing that began Jan. 11 with Compton president Ernie Sapieha outlining the benefits of speeding up the depletion of



CREDIT: Jenelle Schneider, Calgary Herald
"I'd say it's between zero and the square root of zero," oilpatch consultant Dick Bissett said of the chances of a blowout.

sour gas reserves on the edge of the rapidly growing city.

"We feel we've come up with a socially responsible position to deplete the resource safely, which serves the greater public interest," Sapieha said.

"We're making a compromise by saying we'll get as much gas out of the ground as we can within 15 years and then packing up and leaving whatever reserves remain in the ground."

The bulk of the hearing, which concluded March 4, was then taken up by the testimony of Compton staff and consultants who provided brief outlines of the company's plans and responded to day-after-day of detailed technical questions about the proposed drilling procedures, safety precautions and emergency response plans.

Citing the fact that more than 500 wells have been drilled into the Wabamun natural gas pool over the past 50 years without incident, engineers said the use of highly trained staff and top-quality drilling equipment virtually eliminates the risk of toxic gas escaping from the ground.

It was then that veteran Alberta oilpatch consultant Dick Bissett made a comment that resonated for the rest of the hearing after it was seized upon by opponents who said it was proof the company is overly confident nothing will go wrong.

"I'd say it's between zero and the square root of zero," Bissett said when asked what he felt the chances of a blowout are.

Central to the company's plan is its bid to reduce the radius of the emergency planning zone (EPZ) for the wells to four kilometres from

15-kilometres calculated by the EUB.

Companies are responsible for ensuring the safe evacuation of everyone within the zone in the event of a gas leak -- a requirement the company said would be impossible if the zone includes Calgary suburbs.

Provincial regulations allow for a minimum four-kilometre zone if companies commit to igniting their wells within 15 minutes of a blowout to burn off deadly hydrogen sulphide.

Compton's emergency plan pledges to ignite the wells in under 7.5 minutes and to have everyone within the four-kilometre zone evacuated before gas reaches the surface in the unlikely event crews lose control of a well.

From there, the debate focused on what hearing participants referred to as "duelling dispersion models" that predicted how gas could disperse from the wellsite during a blowout.

The air dispersion model put forward by Compton showed that a four-kilometre EPZ is adequate, even if the gas escaped from the ground under maximum pressure for a full 7.5 minutes under the worst-possible weather conditions for dispersion.

On the other side, a dispersion model commissioned by the Front Line Residents Group showed a cigar-shaped plume of H₂S travelling into the city if it took 15 minutes to ignite the well while the wind is blowing from the southeast.

The report by RWDI West Inc. recommended an EPZ radius of at least 10.4 kilometres and rated the risk of Compton's plan as unacceptably high.

Opponents, including the Calgary Health Region, the Coalition of Concerned Communities and the Front Line Residents Group, urged the board to pay more attention to RWDI's model, arguing Compton's model was created to support a smaller emergency zone.

"The cart was clearly put before the horse," Front Line lawyer Gavin Fitch said.

"The decision was clearly made by saying: Let's go with a four-kilometre zone and see if we can justify it later."

Fitch also said approval of Compton's plan would be a recognition the EUB believes sour gas development is safe enough to occur anywhere in the province.

"There are important policy issues at play here," Fitch told the panel in his closing arguments.

"If you accept this application, then you're accepting that there really are no public safety issues with drilling sour gas wells next to large urban centres."

Canadian Association of Petroleum Producers vice-president David Pryce said the industry believes sour gas development can take place anywhere, as long as it meets provincial regulations.

"If we follow the rules correctly, we need to have a reasonable expectation that we can proceed with these projects," Pryce said, noting the EUB is implementing dozens of recommendations to improve the public safety with respect to sour gas.

"If the right rules are there, it shouldn't matter if its in proximity to the city, although the rules need to take into account that fact."

The major benefit proffered in support of Compton's plan was the guarantee the company would abandon its wells and pipelines southeast of the city within 15 years of the new wells being approved.

Carma Developers Ltd. and three families who have owned farmland near Compton's existing wells and have fought sour gas development in the area for decades expressed support for the plan because of the concrete date by which the facilities will be gone and urban development can proceed on the land.

Without new wells, Compton said it intends to continue operating its two existing wells next to the city for at least another 50 years.

That argument didn't hold water with opponents, who noted that a 1999 EUB hearing into the fate of the Compton-owned pipeline that carries sour gas away from wells east of Calgary resulted in an end-date for the pipeline that will only be released if Compton's bid fails.

"What do we realistically think is in that envelope?" asked Fitch, who noted experts told the board in 1999 that urban growth would likely overtake the sour gas facilities by 2018.

"It is highly unlikely there will be sour gas production at that site past 2018 no matter what happens," Fitch said.

With all the evidence in, the EUB has three months to issue a decision on Compton's application -- a task panel chairman Arden Berg said will be onerous, based on the amount and complexity of the information presented over the past seven weeks.

"We're left with having to balance some very serious and conflicting issues," Berg said at the conclusion of the hearing.

"For us, the easiest part is over and the hardest work now begins."

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