

2004 March 16

## Description

### Compton public hearing adjourned

As requested by Compton Petroleum Corporation, the EUB has adjourned the public hearing which was scheduled to start March 30. The EUB has not yet announced the new public hearing date.

### Recent developments:

The City supported Compton's request for adjournment subject to a number of conditions, including the following:

- Timeframe – The City has requested that the EUB schedule its Public Hearing when City Council and the Standing Policy Committee (SPC) on Community and Protective Services are available to approve supplemental submissions from The City (i.e., not between August 3 and December 6).
- Emergency Response Plan (ERP) – Compton's ERP should be revised in accordance with current EUB requirements (Guide 71) before the hearing, and Compton must be required to review the ERP alterations with affected local authorities before submitting its revised ERP to the Board.
- Plume Dispersion Modelling – The central public safety issue for the public hearing remains the adequacy of the 4 km reduced emergency planning zone (EPZ) to protect public safety. The City considers Compton's current ERP as incomplete as no hydrogen sulphide plume dispersion modelling was presented by Compton to support the application for a reduced EPZ. The City has suggested that Compton complete the modelling and present it to the Board and interveners before the rescheduled Public Hearing commences. Without the plume dispersion modelling, The City will not consider a revised ERP to be complete.

In its submission filed with the EUB on March 4, The City requested that during the Public Hearing, the EUB review hydrogen sulphide and sulphur dioxide modelling information that will be presented by the interveners and consider the modelling data when ruling on the adequacy of Compton's Emergency Response Plan. The City also requested that the EUB rule on the adequacy of Compton's reduced Emergency Planning Zone from 14 kilometres to four kilometres. Without supporting hydrogen sulphide modelling information, The City believes it is difficult to assess whether the four-kilometre distance will provide enough public safety protection. The City requested the EUB carefully review the components, resources, and procedures in the Compton Emergency Response Plan and drilling programs to ensure these plans adequately protect public safety. The City also requested Compton:

- Conduct an exercise of the emergency response plan prior to the issuance of drilling licenses and allow The City and provincial authorities to evaluate the exercise;
- Provide information on the Emergency Response Plan training and exercise programs to The City to ensure they are comprehensive;
- Provide pipeline safety information to The City;
- Allow well site access by City Disaster Services staff; and
- Limit gas production to 15 years.

### Background:

Compton Petroleum Corporation (Compton) currently operates two sour gas wells 1.1 kilometres from The City's existing southeast boundary and within an area of proposed annexation. Compton has applied to the Alberta Energy Utilities Board (EUB) for well licenses to drill up to an additional six critical sour gas wells at that location. The company has indicated it plans to decommission one existing well if the EUB approves the new wells. Compton is making the application in an attempt to reduce estimated recovery time for its natural gas reserves from 50 to 15 years.

## Briefing Note

# COMPTON SOUR GAS WELL APPLICATION

Under current EUB guidelines, the Board's initial calculated Emergency Planning Zone (EPZ) for the drilling/completion phases of the additional wells would exceed a radius of 14 km from those well sites. The population within that EPZ area includes approximately 250,000 Calgarians. The Compton application requests the EUB approve a reduced EPZ radius of 4 km during drilling and completion, in recognition of improved safety features it has incorporated into its proposal. The EUB will consider approving a reduced EPZ when additional public protective measures provide the same or a greater level of public safety as would an unreduced EPZ. (See map below.)

### Key Contacts

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### Current Status

- Fact sheets summarizing the recommendations in The City's submission are available at [www.calgary.ca](http://www.calgary.ca) (search for sour gas).
- Public safety is The City of Calgary's top priority, and the Fire Department's Disaster Services Division is leading a review team that also includes personnel from Law, Environmental Management and Land Use Planning.
- Disaster Services has closely examined Compton's Emergency Response Plan (ERP), as required by EUB regulations, and is requesting that the EUB carefully review the plan to ensure sufficient safety procedures, personnel, equipment and resources are identified.
- Although Disaster Services has reviewed Compton's ERP, the determination as to whether or not the plan and the engineering data in Compton's application are adequate lies with the EUB.
- The EUB held a pre-Hearing meeting on the Compton Petroleum sour well applications on 2003 October 23 to determine the terms and parameters of the public Hearing which is scheduled to begin on 2004 March 30. Members of Administration attended the pre-Hearing meeting and gathered information about stakeholders' concerns.
- An Information Request (IR) is being submitted to Compton with a response anticipated in early January.
- The City is committed to providing information about its role in the EUB hearing process, its responsibilities in relation to Compton's applications, and links to information about other agencies involved in the process. Information is being provided through a series of fact sheets, web pages on [www.calgary.ca/fire](http://www.calgary.ca/fire), and briefings to aldermen and Council.
- Another important public engagement goal is to provide citizens with several ways to send in questions and comments, including an e-mail address ([sourgas@calgary.ca](mailto:sourgas@calgary.ca)), the Corporate Contact Centre information line (268-2489) and the Aldermanic Offices (268-2430).
- Disaster Services has presented an overview of The City's role in the EUB's Compton application process to the Coalition of Concerned Communities.

## Briefing Note

# COMPTON SOUR GAS WELL APPLICATION

- A committee report is being prepared for presentation to the SPC on Community and Protective Services in February.
- Community members will be provided with information on the date, location and process for citizen involvement in the Standing Policy Committee meeting once the agenda has been published on the external web site.

### Technical Information

- A sour gas well refers to one where hydrogen sulphide (H<sub>2</sub>S), a colourless, toxic gas, characterized by a "rotten egg" odour, is present.
- The "Critical Well" designation may be assigned to a well depending on two factors: its proximity to an urban centre or a public facility, and the potential release rate of H<sub>2</sub>S during drilling – which is the first stage in developing the well.
- An Emergency Planning Zone (EPZ) is the area around a well where residents and visitors to an area would be at the most risk in the event of a blowout. Since H<sub>2</sub>S is heavier than air, it accumulates at lower elevations. If it is not handled properly, H<sub>2</sub>S can be deadly.
- A "Blowout" is an uncontrolled flow of gas, oil, or other well fluids from a wellbore into the atmosphere. Blowouts usually result from human error or equipment failure. The best safeguards against that are the back-up equipment and well-qualified, certified rig personnel.
- The EUB must receive, and approve, a detailed drilling plan, including a complete Emergency Response Plan that extends from the drilling phase through all stages, to operation and maintenance, before any licenses are granted.

### Key Messages

- Public safety is The City of Calgary's top priority, and City business units including Disaster Services, Law, Land Use and Planning and Environmental Management are examining the situation for City Council and are requesting more information from the EUB and Compton. The City's key issues are public safety, urban growth and environmental management.
- The EUB has jurisdiction over these sour gas applications and will make its decision after hearing the evidence during the public Application Hearing scheduled to begin on 2004 March 30.

### City / Stakeholder Roles

- Disaster Services, Law, Land Use Planning and Environmental Management have formed a technical team to examine the situation for City Council. The City's key issues are public safety and emergency planning, urban growth and land use, and environmental management.
- The Energy Utilities Board is the provincial regulator with jurisdictional authority over the application.
- The Calgary Health Region is the authority reviewing public health issues relative to the Compton application.
- Compton Petroleum Corporation owns the gas reserve and is the applicant for the six additional sour gas well licences.
- The site of the two existing Compton wells and the proposed location of the additional wells is in the Municipal District of Rocky View.

### Frequently Asked Questions

#### **What is the role of the EUB?**

The EUB is a quasi-judicial provincial agency that regulates the energy sector in Alberta, including the sour gas industry.<sup>1</sup> Through its public hearing process, the EUB will carefully consider the evidence and issues presented by interested parties before it makes its decision on the licence applications submitted by Compton Petroleum Corporation. The EUB has held a pre-hearing meeting to deal with applications by Compton for its North Okotoks Horizontal Well Program. The EUB public hearing process is described at [www.eub.gov.ab.ca](http://www.eub.gov.ab.ca).

EUB EnerFAQ No.1 'What is the Alberta Energy and Utilities Board?' states: "An EUB hearing is a formal process that provides an important opportunity for different points of view about an energy project to be aired in a fair and orderly forum. A hearing allows for an open, public testing of technical, environmental, social, and economic evidence from those involved. The process ensures that all relevant arguments for and against the energy facility project are heard." EUB EnerFAQ No. 2 'Having Your Say at an EUB Hearing' explains how to participate in the EUB hearing process.

#### **What is The City's role, scope and expertise in reviewing Compton Petroleum's sour well applications?**

City business units including Disaster Services, Law, Land Use Planning and Environmental Management are examining the situation for City Council. The City has formed a technical team to request, review and analyze additional information from the EUB and Compton. The technical team's recommendations will address public safety as The City's top priority. (Please refer to The City of Calgary's Compton Sour Gas Update 1 and to [www.calgary.ca/fire](http://www.calgary.ca/fire)).

#### **Is The City reviewing Compton's Emergency Response Plan, and if so, what does that involve?**

Disaster Services has closely examined Compton's Emergency Response Plan (ERP), as required by EUB regulations and is carefully monitoring the EUB's consideration of public safety issues. Improvements requested by Disaster Services included making additional resources available and shortening the communication linkages to notify responding parties in the event of a problem.

Although Disaster Services has reviewed Compton's ERP, the determination as to whether or not the company's ERP and the engineering data in Compton's application are adequate lies with the EUB. Subject to any specific requirements imposed by the EUB, the company is required to implement the emergency response plan in accordance with EUB Guide 71: Emergency Preparedness and Response Requirements for the Upstream Petroleum Industry, June 2003 (available at [www.eub.gov.ab.ca/BBS/requirements/Guides/g71.htm](http://www.eub.gov.ab.ca/BBS/requirements/Guides/g71.htm)).

#### **Is The City prepared in the event of a sour gas incident?**

Yes, The City is well prepared to respond to any major emergency in Calgary. The City has an emergency response plan for the entire city, and many business units and agencies have their own specific response plans. There is a set of multi-agency, multi-jurisdictional, layered response plans in the event of an incident at any sour gas facility in the Calgary area.

- The operator has an emergency response plan and is responsible for notifying The City and the Province if that plan is activated. Depending on the nature of the problem, The City may activate its response plan.
- The Province of Alberta has an Upstream Petroleum Response Plan, which is available at [www3.gov.ab.ca/ma/ema/response\\_plans/upstream\\_petrol.cfm](http://www3.gov.ab.ca/ma/ema/response_plans/upstream_petrol.cfm)

<sup>1</sup> [www.eub.gov.ab.ca/BBS/eubinfo/mission.htm](http://www.eub.gov.ab.ca/BBS/eubinfo/mission.htm)

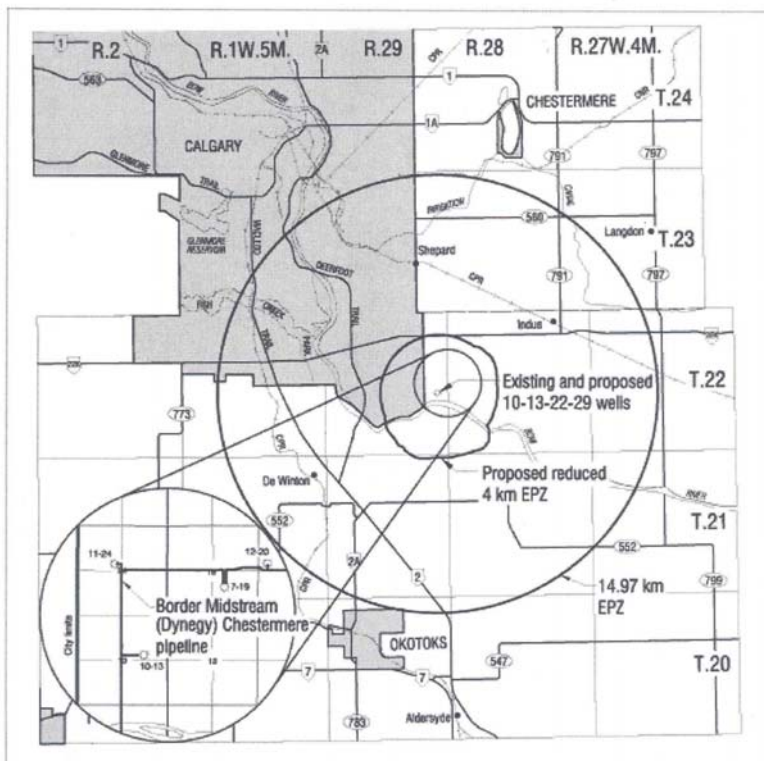
**Please explain the calculated and reduced Emergency Planning Zone (EPZ).**

The initial calculated EPZ consists of a usually circular area surrounding a sour gas well, the radius of which is calculated using a formula based on the maximum potential hydrogen sulphide release rate of the well.<sup>2</sup> The EUB will consider approving a reduced EPZ when additional public protective measures provide the same or greater level of public safety as would an unreduced EPZ. This extra protection is designed to control or mitigate a potential problem before it could affect a large area or a large number of people.

- The operator remains responsible for public protection beyond the EPZ, including coordination with emergency response agencies.
- As in any potential industrial incident, the need for an evacuation and its timeframe would be determined by incident-specific variables.

(Please refer to The City of Calgary's Compton Sour Gas Update 3.)

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<sup>2</sup> EUB Compton Applications Statement of Facts (p. 4)