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May 14, 2019

Anastasia Shukalkina, Hearing Services
Alberta Energy Regulator
Anastasia.Shukalkina@aer.ca

**Re: Shell Canada Report on Action Plan for ERCB Decision 2013-009
Waterton 68 Applications for Pipeline and Facilities Licences**

Shell Canada Limited (Shell) received approval from the Alberta Energy Regulator for the Waterton 68 pipelines and facilities on May 28, 2013 in ERCB Decision 2013 ABERCB 009. Appendix 4 to the Decision set out an Action Plan with action items and requirements for follow-up. Shell last reported on the status and evidence of completion of the Action Plan items on February 2, 2018. The following is an update to that report.

1. RWDI Recommendations: Partially Complete, Actions Ongoing

The AER directed Shell to install the first perimeter monitor at the Waterton 68 well site before producing the Waterton 68 well, with the other perimeter monitors being installed after the start of production and testing of the initial perimeter monitoring system. The perimeter monitoring system at WT-68 is currently operational and has been piloted to test viability long-term and at other sites. Shell has upgraded certain aspects of this system as detailed below. These upgrades will remain consistent with the implementation of the new perimeter monitoring systems.

The following *Table 1: RWDI Recommendations Report* provides the most recent status of each of the nine RWDI recommendations, with updated information noted in purple font. Shell will continue to provide regular updates on these initiatives through the Waterton Advisory Group (WAG) meetings.

2. RWDI Recommendations Progress Updates: Ongoing

The progress of implementation of the RWDI Recommendations have been discussed at all WAG meetings since the approval of the Waterton 68 pipeline and facility on May 28, 2013.

Shell hosted a WAG meeting on November 29, 2018. The next WAG meeting will take place in June 2019.

Development of new wells and infrastructure in the Waterton field is presented, when required, to the New Development Sub-Committee of WAG. The last NDSC meeting was October 14, 2015 and minutes were provided as part of the previous November 18, 2015 update to AER. The next meeting will be scheduled in advance of potential new development, so the committee can be involved in early

evaluation. Shell also provides a bi-monthly activity emails to all WAG members which includes the NDSC members to keep them informed of timely updates in Waterton.

- Attached please find the three email updates from 2017 and the meeting minutes from the WAG meeting:
 - March 8, 2019 – WAG Email Update
 - July 31, 2018 – WAG Email Update
 - May 9, 2018 – WAG Meeting
 - November 29, 2018 – WAG Meeting and Open House

Table 1: RWDI Recommendations Report

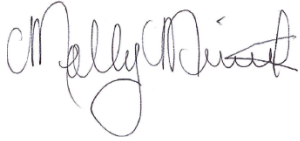
RWDI Recommendation Number	Recommendation Description ^a	Shell Updates (As of June 27, 2016)	Status
#1	A new meteorological station, properly sited with respect to fetch and exposure, is recommended for the Screwdriver Creek Valley (SCV). The utility of this station should be evaluated after one year. This station could be part of the continuous ambient air quality monitoring station in Recommendation #2.	<ul style="list-style-type: none"> • Shell retained RWDI to perform the one-year review for the SCV continuous air monitoring station. • A report was prepared by RWDI in September, 2015. (See attached). Results and conclusions from the report were shared with WAG at the October 28, 2015 meeting. Although the RWDI report concluded that the station could be removed at Shell's discretion, Shell has decided to keep it operational for another year to support future development planning. • The station will remain operational for another year, and Shell will continue to report out to WAG on the results (for example, the latest WAG air bulletin newsletter is attached which was included in the March 7, 2016 WAG Email Update). • Shell conducted upgrades for the perimeter monitoring station which included replacement of the fiber optic cable, installation of updated software and the installation of new foundation for the posts. 	Complete
#2	Install a permanent continuous ambient station that monitors H ₂ S and SO ₂ and meets all ERCB/AESRD AMD measurement and reporting requirements. The utility of this station should be evaluated after one year. This station could include the meteorological station in Recommendation #1.		
#3	Four perimeter H ₂ S monitors should be installed at each of the following six well sites: WAT junction, 6-16-6-2 W5M; TX-5-20, 5-20-6-2 W5M; TX-6-17, 6-17-6-2 W5M; WT-61, 10-7-6-2 W5M; WT-68, NE-1-6-3 W5M; and CA 6-12, 6-12-6-3 W5M.	<ul style="list-style-type: none"> • The perimeter monitoring system at WT-68 is currently operational and has been piloted to test viability long-term and at other sites. • Shell conducted a number of upgrades for the WT-68 perimeter monitoring station in the summer of 2016, which included replacement of fiber optic cables, upgrades to software, and the installation of new post foundations. • Based on the upgrades conducted to the existing WT68, Shell will be advancing plans for the remaining perimeter monitoring systems in 2017. • Shell will keep the AER and WAG updated on progress as this work is undertaken. 	Ongoing

RWDI Recommendation Number	Recommendation Description ^a	Shell Updates (As of June 27, 2016)	Status
		<ul style="list-style-type: none"> • Shell has installed perimeter monitors at 06-17 and 5-20 in Q4 2017. These monitors have been commissioned. • Perimeter monitors for WAT junction (06-16) and CA 6-12 have been installed in Q4 2018. The monitors have been tested and commissioned • The WT61 perimeter monitor is dependent on the construction of WT61 pipeline. If WT61 pipeline is not constructed then the two wells that the monitor would be installed for, would remain shut-in. At this time, both wells are shut-in which means that the monitor would not be useful. Should the WT61 pipeline be constructed and the wells brought back on production, there is currently budget to install this monitor as well 	
#4	Consider relocating the existing DAP unit to locations in the SCV that are downwind of sites where flaring activities are taking place in order to self-monitor and evaluate the downwind concentrations from these activities, or not use the units at all.	<ul style="list-style-type: none"> • The DAP unit was removed from operation the week of December 7th 2015 (however, the AGAT-operated SCV continuous air monitoring station, as referenced in Recommendations #1 and #2 above, is still operational and results will continue to be shared through WAG). 	Complete
#5	Shell's participation in any future regional ambient air and environmental monitoring networks is recommended.		No Further Action Required At this Time
#6	Post any new continuous H ₂ S, SO ₂ and meteorological measurements from the SCV to a shared website for public internet access based on averaging periods of 15-minutes, 1-hour and 24-hours and have the ability to generate summary reports.		Complete
#7	Summarize and make public the results of historical ambient monitoring readings in the Screwdriver		Complete

RWDI Recommendation Number	Recommendation Description ^a	Shell Updates (As of June 27, 2016)	Status
	Creek Valley area, including meteorological and continuous air quality data from 2008 onwards.		
#8	Provide a public tour of the Shell Waterton Complex ambient station(s) and Control Room with demonstration of monitoring and alarm systems.		Complete
#9	Undertake a one-time ambient survey of common VOC's such as BTEX compounds at the Texaco 5-20, Texaco 6-17 and WT-61 well sites in the Screwdriver Creek Valley, at upwind and downwind locations on the lease boundaries, and compare the measured levels to their respective AAAQO and typical published levels.		Complete
<p>NOTE:</p> <p>^a For full details on the recommendations outlined herein, refer to the RWDI report entitled "<i>Ambient Air Monitoring Program Design: Screwdriver Creek Valley</i>" (dated December 5, 2012).</p>			

We trust that this information meets your current needs. If you would like to further discuss the information contained herein, please do not hesitate to contact me by phone at 587-233-4869 or via email at Molly.Minuk@shell.com.

Sincerely,

A handwritten signature in black ink, appearing to read 'Molly Minuk', with a stylized, cursive script.

Molly Minuk
Regulatory Specialist
Shell Canada Limited

Waterton Advisory Group
Meeting Notes – May 9, 2018

Attendees:

Name	Organization
Fraser Stewart	Resident, CMR
Mitch Hardy	Resident
Patsy Hardy	Resident
Kim Hardy	Resident
Tamara Zembal	Alberta Environment & Parks
Darryl Carlson	Resident
Rod Sinclair	Resident
Chris Coleman	Resident
David Green	MD of Pincher Creek
Peter Argument	Shell (Waterton Plant Operations Manager)
Melik Smaili	Shell (Foothills Development Team)
Kristen Schmidt	Shell (Waterton Community Liaison)
Harley Davidson	Shell (Finance Advisor)
Stephen DeCock	Shell (Environmental Coordinator)

What follows is an informal summary of the topics and perspectives shared at a Waterton Advisory Group (WAG) meeting. WAG meetings are intended to supplement (but not replace) Shell's obligation to consult directly with affected stakeholders under the Alberta Energy Regulator's Directive 56. These meeting notes are a public document. The views shared within are the views of individuals and are not necessarily the consensus views of participants.

1. Introductions and Welcome (5:00pm)

Kristen Schmidt introduces herself as the facilitator – notes that if people see a need for a third party facilitator similar to what we've done in past meetings, we are happy to consider. Let Kristen know if any thoughts or concerns with this modification.

2. Operations Report

Peter Argument reviewed operations for the field and the Waterton Complex since last meeting (from November 2017-May 2018). Peter mentioned that there were flaring events in November and another in April but these were not integrity events. The inspections have started now and waiting to see some results before we plan line digs. Aerial inspections will be in Fall again. Shell is planning to take an outage in early July for Deep Cut, which is being timed around Jumping Pound and Caroline activities for outages/turnarounds. Peter announced that he is moving on and Bob Karch is the new Operations Manager for Waterton, along with Jumping Pound and Caroline. He will plan to be in Waterton for the first week every month and Roy Downie, the new production superintendent will manage non-technical risk and community relationships.

Integrity Events: None

Odour notifications: A total of 9 notifications were received from November 2017-May 2018, of which 4 were confirmed to be from Shell sources. Two of these notifications were related to condensate truck loading/transport and two were from the plant's incinerator stack. 5 notifications did not have a source.

Traffic related notifications:

- Speed – none
- Noise - none
- Dust – 1 related to suppressant application in Gladstone
- Other - Complaints about Sorage Grader parked at 7 gates, access through the snow and blocked access from MD or CP Rail, air monitoring truck on private road, traffic incident with resident (mirror broken), traffic incident with power pole (blocked access through weekend).

3. Alberta Parks and Waterton Socio-Economic Impact Assessment

Kristen Schmidt provided an update on the Waterton Socio-Economic Impact Assessment being conducted for the Southern Alberta Sustainable Communities Initiative (SASCI). Phase 1 is almost complete and Shell has partnered with SASCI for Phase 2 this year, likely in Fall 2018. There is a draft report in review with SASCI and Shell, which will be released to the public for review and public consultation will take place in Phase 2.

David Green provided an update on an initiative that SASCI has been working on, they have hired a community grant writer. There were 20 applications and they interviewed 5 people, Lisa Dobbern is the successful candidate from Vulcan and was a grant writer up there. There is already a waitlist of people looking to meet with her and there is a sustainable funding model in place to provide 4% of successful grants towards the funding of Lisa's salary.

Tamara Zembal provided an update on the collaboration between Alberta Parks and Environment and Shell. She highlighted the working group that includes grazing associations, non-government organizations, and local government representatives. The focus is in the loop road west and south of the plant to Spread Eagle Road.

Questions:

1. With the new Chalets, will access to them remain after Shell leaves?
 - a. This is being worked and public development plans need to be finalized.
2. What is the timing to decide where the chalets will be?
 - a. This will be finalized in the public development plan but the hope is one chalet will be built in Fall with the other two build next year.
3. What size will the chalets be?
 - a. 15 people
4. Syncline group use has been managed for a number of years, will it be similar?
 - a. The Alberta Wildlands booking portal will be used
 - b. There are 3-4 comfort cabins in Beaver Mines which can be booked now by phoning in.
5. Why is the focus only on the South part of the Loop road? Why not Butcher Lake to Mill Creek North?
 - a. The intent is to look at the full loop road, but focusing on the South section right now.
 - b. It would be from the North road allowance
6. There is a call out for food trucks and ice cream trucks, can you elaborate?
 - a. They would need to have a food vendor permit and it will be in specific park food areas with permits for these areas. A few key areas have already been identified, like Park Lake North of Lethbridge

- b. Another opportunity would be campgrounds in the Castle area.

3. Shell Waterton Development Plans for 2018 and 2019

Melik Smaili provided an update on Shell's development plans for the Waterton area:

- Showed a map with various levels of working interest and highlighted several New Drill (ND) opportunities that have been previously identified.
- WT-78: Still on hold this year, and it has not been taken out of the application queue as it is still economic but it did not compete for funding in 2018.
- CR-74: We are currently in the regulatory process for Castle River 74 well as the application was submitted earlier this year. This would be re-entering the well location at CR-74 (Castle River 6-17). Shell previously constructed and drilled this well, although we could not produce it due to gravel and rocks. We are planning to re-enter and sidetrack the well-bore with a screen to mitigate the rocks and produce the gas into existing infrastructure. No new footprint will be required for this application.
- WT-61: We are also in the regulatory process for Waterton 61 pipeline as the application was submitted late last year. This would be a small pipeline (~650 m) on private land at Junction 61 to tie-in existing wells into existing infrastructure and produce to the Waterton plant.
- WT-68 Interim Reclamation: We completed interim reclamation activities on the Waterton 68 well site last year and will be monitoring the site this year.
- H2S Perimeter Monitoring: Discussed wellsite perimeter monitoring and how it works. One or two more sites will be targeted in 2018 with another one or two next year.
- Caroline Injection Project: explained process and that we are currently screening for Waterton and Jumping Pound. Depending on how the project goes at Caroline, it could be viable for the other two sites. It would mean that we are no longer producing sulphur, it would reduce our greenhouse gas emissions. Back in the 60s, injection was already tried at Waterton so it isn't a new idea for this area.

4. WAG Participant Updates

Synergy Alberta – Fraser Stewart:

- The 2018 Synergy Alberta conference will be November 4-5 and could be held in Grand Prairie.
- Theme will be "Navigating the new normal" and "Water"
- Should we consider doing a media release to the community about WAG to get more people out? They are doing this in Grand Prairie because there are new synergy groups forming because they don't know about the main group there
- If you are interested in attending Synergy Alberta, talk to Kristen Schmidt.

General updates:

- Question: for the Kenow Wildfire, did we create a report?
 - We had an internal review session, but nothing formal to send out.

Adjourn 7:00pm

Next meeting will take place in the Fall 2018. Should you require any further information on these or other Shell related projects, please contact Kristen Schmidt.

Waterton Advisory Group

Meeting Notes – November 28, 2018

What follows is an informal summary of the topics and perspectives shared at a Waterton Advisory Group (WAG) meeting. WAG meetings are intended to supplement (but not replace) Shell's obligation to consult directly with affected stakeholders under the Alberta Energy Regulator's Directive 56. These meeting notes are a public document. The views shared within are the views of individuals and are not necessarily the consensus views of participants.

1. Introductions and Welcome (5:00pm)

Kristen Schmidt introduces herself as the facilitator – notes that if people see a need for a third party facilitator similar to what we've done in past meetings, we are happy to consider. Let Kristen know if any thoughts or concerns with this modification. Kristen also announces her departure from Waterton and that a replacement CLO will be announced soon. In the meantime, she is still supporting Waterton remotely and will be available by phone whenever needed. Kristen introduces Bob Karch, the new Operations Manager for Foothills. Bob is Calgary-based and replaced Peter Argument on March 1, 2018. Kristen introduces Darrell Archibald, the new Production Superintendent for Waterton who will be stepping into role in January. Darrell has been field supervisor at Waterton for 4 years and has been part of Shell for 12 years.

2. Operations Report

Darrell Archibald reviewed operations for the field and the Waterton Complex since last meeting (from May 2018-November 2018). Darrell mentioned that there were no integrity events in that time. The inspections program is complete for 2018 with aerial and internal pipeline inspections throughout the field. The Deepcut outage was successful in July, with improved recoveries since.

Integrity Events: None

Odour notifications: A total of 8 notifications were received from May 2018-November 2018, of which three were confirmed to be from Shell sources. Two of these notifications were related to plant maintenance activities and one was from the plant's incinerator stack. Five notifications did not have a source.

Traffic related notifications:

- Speed – 3
- Noise - none
- Dust – 1 related to suppressant application on Riviere Road
- Other – 6 related to plant road, Carpenter Canyon access, 7 Gates Road access, and various other locations throughout the field.

3. Waterton Socio-Economic Impact Assessment (Guest: Celesa Horvath – SASCI)

Concept:

- Declining reserves will lead to eventual closure of Shell's Waterton Complex
- Serious economic and social disruption can be avoided with strategy and collaboration
- SASCI has embarked on a multi-year initiative to support our region's communities in transitioning smoothly to a future without Shell's Waterton operations.

Approach:

- Phase 1: Socio-Economic Impact Assessment
 - Community profile

- Understanding existing impacts
- Predicting impacts of closure
- Sharing findings with the community
- Phase 2: Community Engagement

Key Findings of the SEIA:

- Annual regional GDP decline by \$34 million, including \$31 million decline in labour income
- >20% decline in tax revenue to MD
- Loss of ~265 FTE jobs, affecting 8% of the current local labour force
- ~650 people could leave region, affecting up to 9% of current local housing stock
- Other economic and social impacts

Next Steps: Community Engagement

- Building awareness and understanding
- Idea generation
- Pathway exploration and development
- Pathway ranking
- Action plan development
- Implementation

3. Shell Waterton Development Plans for 2018 and 2019

Regulatory process complete for:

- CR-74 in north (sidetrack or –'re-entry' into existing well at 6-17 surface location)
- WT 61 pipeline

Regulatory process ongoing for:

- WT-78 in south (new drill)

Approach:

- Minimize footprint and impact
- Reuse existing sites and infrastructure
- No net increase in motorized access
- Testing wells to pipeline – limit flaring
- Traffic management
- Regulator, JV Partners
- Focus on most profitable wells

Perimeter Monitoring program will continue in 2019

4. WAG Participant Updates

Synergy Alberta – Fraser Stewart:

- 10 year WAG membership milestone reached – plaque presented to Shell
- November session in Red Deer with highly valuable and informational, encourage anyone that wants to go to attend.

General updates:

- If you want to be a part of WAG going forward, see Kristen after to get your name added to the distribution list.

Adjourn 6:00pm

Next meeting will take place in the Spring 2019. Should you require any further information on these or other Shell related projects, please contact Kristen Schmidt.

Minuk, Molly SCAN-UPU/S/R

From: Schmidt, Kristen SCAN-ERM/C
Sent: Thursday, January 24, 2019 10:28 AM
To: Larson, Kali SCAN-ERD/A
Subject: FW: WAG Email Update - July 2018

Kristen Schmidt

Spokesperson & Community Manager - Canada



Media Relations | Shell Canada
Shell Canada | 400 4th Ave SW, Calgary, AB T2P 2H5
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From: Schmidt, Kristen SCAN-ERD/A
Sent: Tuesday, July 31, 2018 3:16 PM
To: Anne Stevick <stevick@toughcountry.net>; Barrie and Grace Orich <bgorich@shaw.ca>; bbustard@platinum.ca; Behn Morris <Behn.Morris@aer.ca>; Brad Brush <brad@skicastle.ca>; Brent Barbaro <ranch.b@jrtwave.com>; brett.fairbairn@usask.ca; Carolyn Aspeslet (CCWC <office@ccwc.ab.ca>; 'Celesa Horvath' <chorvath@sasci.ca>; Chris Coleman <ccoleman@platinum.ca>; Cliff Elle <crelle@jrtwave.com>; Connie Simmons <connie@oldmanbasin.org>; Darryl and Valerie Carlson <dcarlson@telus.net>; David Green <fcss@pinchercreek.ca>; Deanna SCAN-UPS/U/R Grant (Deanna.Grant@shell.com) <Deanna.Grant@shell.com>; Dick and Stephanie Hardy <sjhardy45@gmail.com>; Donna Zoller <donnamsz@hotmail.com>; Downie, Roy SIPD-UPO/J/MPO <Roy.Downie@shell.com>; Drew Rendall <drendall@unb.ca>; Fraser Stewart <castlestewarts@gmail.com>; Gary Mills <gary2670@telus.net>; Gordon Petersen <gordon@diomedea.com>; Hunter, Lyndsey SCAN-UPU/S/R <Lyndsey.Hunter@shell.com>; Janet Casey <janetcasey@jrtwave.com>; Janet Wittig <girlworks2hard@msn.com>; Jennifer Lough aer <Jennifer.Lough@aer.ca>; Judy Huntley <maycroft@telusplanet.net>; Karch, Robert SCAN-UPU/F/F <Robert.Karch@shell.com>; Karen Rendall <rendall9@telus.net>; Karla Reesor (karlareesor@movingfwd.ca) <karlareesor@movingfwd.ca>; Kathy Day <daykm4@gmail.com>; KC Shenton <caseyshenton@gmail.com>; Kim and Patsy Hardy <hardysafety@gmail.com>; Kim Barbero <kim.barbero@toughcountry.net>; Kyra Dziedzic <Kyra.dziedzic@advisian.com>; Lee McClelland <dlmcl@hotmail.com>; Leo Reedyk <AdminDirOps@mdpincercreek.ab.ca>; Lorraine Robbins <robangus@jrtwave.com>; molly.minuk@shell.com; Murray McFarland <mmcfarland96@hotmail.com>; Nora Manners <nmanners@watertonbiosphere.com>; Norma Fairbairn <norma.fairbairn@gmail.com>; Pat Anderson <patandersonhorses@gmail.com>; Pat Neumann <pat@pinchfire.com>; Phil Hazelton <hazeltonphilip4@gmail.com>; Phill Edmondson <phil.edmondson@shaw.ca>; Richards, Patty L SCAN-ERD/A <P.Richards@shell.com>; Rod Sinclair <rodsusan@telus.net>; Ron Schmidt <schmidtr@toughcountry.net>; Sarah Spranza <simmons@spranza.net>; Smaili, Melik SCAN-UPU/F/B <Melik.Smaili@shell.com>; Stephen.DeCock@shell.com; Steve SCAN-UPU/F/T Polvi (Steve.Polvi@shell.com) <Steve.Polvi@shell.com>; Stuart McDowell <mcdowall.sb@gmail.com>; Tamara Zembal <tamara.zembal@gov.ab.ca>; Tara Cryderman <AdminExecAsst@mdpincercreek.ab.ca>; Terry SCAN-UPU/L/CG Gottenbos (Terrance.Gottenbos@shell.com) <Terrance.Gottenbos@shell.com>; thalia.aspeslet@shell.com; Wendy Kay <wkay@mdpincercreek.ab.ca>; Yvonne McNeely <yvmcneely@yahoo.com>
Subject: WAG Email Update - July 2018

Hello everyone!

I hope you have had a chance to enjoy the weather we have been having, in between the rainy days which are much needed.

Please find updates below regarding some of the 2018 plans for the Waterton Complex. If you have any questions or require more details, please feel free to contact me.

2018 Deepcut outage

- The plant outage at the beginning of July was a success! There were no personal safety incidents and the activity was completed on schedule.

Development

- The Waterton 61 pipeline application was submitted late last year and we are still working through the regulatory process with stakeholders and the regulator. Last year, we completed D56 consultation with stakeholders in the Emergency Planning Zone for WT-61 and WT 10-7 pipeline in the Screw Driver Creek Valley to replace the abandoned pipeline which serviced these wells in the past. The pipeline is constructed largely on an existing right of way with minimal additional footprint. Construction includes an approximately 250 metre underground bore.
- Similarly, the application for Castle River 74 was submitted earlier this year, which is the re-entry of the Castle River 6-17 well. We are still working through the regulatory process with stakeholders and the regulator, following D56 consultation last year. This well was previously constructed and drilled at the start of Waterton's field development, although it could not be produced due to well bore restrictions. We are planning to re-enter and sidetrack the well-bore through existing infrastructure. No new footprint will be required for this project.
- Work for H2S perimeter monitoring will be scheduled for later this year.
- Waterton 78 well application is still deferred for 2018. While the well is economic it did not successfully compete for capital investment in Shell's 2018 budget. However, as it is still economic, budget approval may change and therefore this project will stay in the regulatory queue.

Environment/Groundwater

- In Shell's ongoing effort to manage sulfolane impacts to groundwater a delineation drilling program will be executed in July to further determine the groundwater impact extent from sulfolane in various groundwater zones surrounding the plant. Shell will be installing nine additional piezometers around the plant as part of this delineation program to increase our monitoring network and knowledge on groundwater pathways.
- The Shell Waterton vegetation management program is currently underway, with ongoing Firesmart measures implemented across the field and at the plant such as mowing and increasing bare ground near flares. The weed picking crew, contract spraying and vegetation mowing teams are currently controlling weeds and vegetation throughout the Shell plant, field roads, field leases and pipeline right of ways.
- The spring water monitoring program is now completed and a larger water monitoring program will be implemented in the fall.
- Ongoing monitoring for Limber Pine seedling trials will continue in 2018, which is part of our commitments from the WT-68 Hearing.
- We are continuing to monitor the establishment of vegetation at our interim reclamation at WT-68, which is looking positive for the first years growth.
- Shell is working on some watercourse crossing repairs to be completed in the field in August. These involve improving armoring around culverts to prevent erosion, improve road safety as well as preparing hydrotechnical and fisheries assessments to repair larger crossings in the future.
- As a reminder, the SCV Air monitoring summary newsletter will be available annually instead of quarterly.

- The annual highway clean up completed by Shell on a section of Hwy 6 will occur in August.

Pipeline Inspections

- The Russell tool inspections for the internally lined pipelines are planned for 2019. The In-Line-Inspection (ILI) program on unlined pipelines was executed throughout the field in May and June. The results will be assessed and determine if verification digs are required.
- There will be some pipeline digs completed in Center Canyon to validate 2017 inspection results. In addition we are assessing the final results of the 4" produced water injection pipeline from Spring 2017, with validation digs to be completed during the outage in July.
- Installations of new Cathodic Protection anode beds are scheduled for three locations in the south end of our field in September.
- Surface inspections are planned for 75 water crossings and severe slopes throughout the field, work should begin for this on July 30th.
- The annual aerial ROW inspection is planned for Q3. When we have exact dates, we will let the impacted residents know. The drone technology is still being evaluated as a pilot project in Waterton which is a safer, more environmentally friendly way to inspect our pipeline gathering systems.

Reclamation

- A reclamation certificate on WAT-19 will be applied for in 2019, following monitoring and a Defined Site Assessment (DSA) this year.
- On WAT-39, we will plan to do a DSA in Fall with potential reclamation certificates in 2019.
- The reclamation certificates for WAT-4 and WAT 21 line heater were upheld following AER audit earlier this year.
- WAT-18 will have erosion repairs this summer, with DSA and potential reclamation certificate application in 2018.
- On the Hunt landform, we re-seeded this year and monitor on an ongoing basis.

Abandonment

- The downhole well abandonment for CR6-17 was started in December 2017, and was not completed before the elk wintering window on December 15. Continuation of this activity has not been rescheduled yet.

Social Investment

- The application process re-opened in January with quarterly funding deadlines to review and approve applications: February 15, April 15, July 15, and October 15. Below are some of the organizations Shell Waterton supported to date in the 2018 Social Investment program, with 89% of funding given out for 2018:
 - Matthew Halton High School Awards
 - Beauvais Lake Provincial Park Interpretive Program
 - Pincher Creek Grant Writer Initiative (SASCI)
 - Plain Eagle Youth Arts and Crafts program
 - Patton Park Society
 - Na'ah's Catering
 - Habitat for Humanity – Southern Alberta
 - Transboundary Waters, Weeds and Stewardship Tour
 - Pincher Creek Archery Club

- Foothills Cowboys Association
- Livingstone High School STEM Scholarship
- Pincher Creek Watershed Group – Blue Weed Blitz
- Drywood Yarrow Watershed Group
- Shell Waterton Employees (current and retired) have contributed over 1200 volunteer hours in 2018 so far!

General Information

- The second WAG meeting of the year will be scheduled for Fall, likely before the Fall Open House. Stay tuned for potential dates.
- For the WAG New Development Sub-committee, we would like to hold the meeting in advance of the next WAG meeting. The topic will be North-End development (Waterton 61 pipeline and Castle River 74 well), **please confirm if you are interested in participating.**
- Shell is continuing to engage with AEP (Alberta Environment and Parks) on ways of working on projects in and around the park and wildland areas such as road and site reclamation, signage opportunities, and staging areas.
- The Waterton SEIA (Social Economic Impact Assessment) project is progressing with public consultation planned for this fall through SASCI (Southern Alberta Sustainable Communities Initiative). The intent of the project is to assess potential social and economic impacts to the area when Shell leaves. More details to come on what public consultation will look like, and a draft report will be available for the public at that time.
- There is minimal activity along 7 Gates Road in Screw Driver Creek Valley this year, if this changes we will re-establish the traffic monitoring system.

If you know of neighbors or friends who are interested in receiving these updates, or if you would like to unsubscribe please get in touch with me through email at kristen.schmidt@shell.com or by phone at 403-462-4862 / 403-627-7282. Please do not hesitate to contact me if you have any questions or concerns, I'll talk to you soon.

Thanks,

Kristen

Kristen Schmidt

Community Liaison Officer - Waterton
 Shell Canada Limited
 Mobile: 1-403-462-4862
 Telephone: 1-403-627-7282

Minuk, Molly SCAN-UPU/S/R

From: Larson, Kali SCAN-ERD/A
Sent: Friday, March 8, 2019 1:58 PM
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Subject: WAG Email Update - March 2019
Attachments: Waterton Advisory Group Air Bulletin_28Feb2019.pdf

Hello Everyone!

Firstly, I wanted to introduce myself; at the beginning of February, I took over Kristen's role as Shell Waterton's Community Liaison Officer. I was born and raised within the community of Pincher Creek before starting my Shell career here at the Waterton Gas Plant in 2008, so I am happy to say that I know the area well and understand the aspects of this great ranching community.

Please find updates below regarding some of the 2019 plans for the Waterton Complex. If you have any questions or require more details, please feel free to contact me.

Potential Divestment Update

- On January 9, 2019, Shell Canada announced that the company is investigating the potential sale of its Foothills sour gas business. Shell continually looks at all aspects of its portfolio to ensure we are delivering on our investment strategy. These assets have been a cornerstone of Shell Canada for many years, and the Foothills teams have delivered incredible value to Shell. These assets are no longer a natural long-term fit with Shell's evolving portfolio; however, another owner may see a strategic opportunity for their development. At this time, Shell's Waterton Complex has not been sold and is still business as usual. Shell continues to be in discussions with potential buyers to possibly sell its Foothills sour gas assets, including the Waterton Complex and its gas fields. If there are no qualified buyers, Shell will continue to operate the site.

Development -

- WAT-61 - We are still in process of working through the regulatory process with stakeholders and the regulator for the Waterton 61/10-07 pipeline. Last year, we completed D56 consultation with stakeholders in the Emergency Planning Zone for WT-61 and WT 10-7 pipeline in the Screw Driver Creek Valley to replace the abandoned pipeline which serviced these wells in the past. The pipeline is constructed largely on an existing right of way with minimal additional footprint. Construction

includes an approximately 250 metre underground bore. We are looking to also install H2S perimeter monitoring at WAT-61/WAT-10-07.

- The application for Castle River 74 was submitted last year, which is the re-entry of the Castle River 6-17 well. We are still working through the regulatory process with stakeholders and the regulator, following D56 consultation last year. This well was previously constructed and drilled at the start of Waterton's field development, although it could not be produced due to well bore restrictions. We are planning to re-enter and sidetrack the well-bore through existing infrastructure. No new footprint will be required for this project.

Environment/Groundwater -

- In Shell's ongoing effort to manage sulfolane impacts to groundwater additional delineation drilling will be executed this spring/summer to further determine the groundwater impact extent from sulfolane in various groundwater zones surrounding the plant. Additional surface water sampling programs have also been initiated in February and March to monitor water bodies in and around the plant for sulfolane and other parameters, this monitoring program will also occur in the spring and summer.
- The plants annual environmental reporting for groundwater, soils, wastewater and air will be completed on or before the end of March, sent to the regulator.
- The final year for monitoring for Limber Pine seedling trials will occur in 2019, which is part of our commitments from the WT-68 Hearing.
- The 2018 Screwdriver Creek Valley (SCV) Air monitoring summary newsletter is attached for review.

Reclamation -

- A reclamation certificate on WAT-19 will be applied for in 2019, following monitoring and a Defined Site Assessment (DSA) this year.
- On WAT-39, we will plan to do a DSA in Fall with potential reclamation certificates in 2019. WAT-39 vegetation in re-establishment phase.
- Reclamation is ongoing for WAT-18, pending closure in the fall of 2019. We conducted erosion repairs last summer and the DSA's are planned for fall this year with applications for a reclamation certificate application to follow.
- The WAT-5 reclamation certificate has been issued and approved from the AEP stating that improvements of this "trail" can be left in place.
- We already have the reclamation certificates for WAT-21 and are waiting for guidance/approval from the AEP/AER on the road.

Social Investment -

- The application process re-opened once again in January with quarterly funding deadlines to review and approve applications: February 15, April 15, July 15, and October 15. This year, Shell is looking to invest in community projects and initiatives in Safety, Health, Education, Environment, Community Skills and Development. Below are some of the organizations Shell Waterton supported in the 2018 Social Investment program:
 - Matthew Halton High School Awards
 - Beauvais Lake Provincial Park Interpretive Program
 - Pincher Creek Grant Writer Initiative (SASCI)
 - Plain Eagle Youth Arts and Crafts program
 - Patton Park Society

- Na'ah's Catering
- Habitat for Humanity – Southern Alberta
- Transboundary Waters, Weeds and Stewardship Tour
- Pincher Creek Archery Club
- Foothills Cowboys Association
- Livingstone High School STEM Scholarship
- Pincher Creek Watershed Group – Blue Weed Blitz
- Drywood Yarrow Watershed Group
- Shell Waterton Employees are looking to volunteer their efforts! If you know of any upcoming events, please reach out to myself (contact information is below).

General Information

- The first WAG meeting of the year will be scheduled for late spring (perhaps in May). Stay tuned for potential dates.
- Shell is continuing to engage with AEP (Alberta Environment and Parks) on ways of working on projects in and around the park and wildland areas such as road and site reclamation, signage opportunities, and staging areas.

I would like to gather your feedback on the frequency of these WAG emails. Would you prefer continued Bi-Monthly updates or Quarterly updates? If you could respond back to this email and let me know that would be great!

If you know of neighbors or friends who are interested in receiving these updates, or if you would like to unsubscribe please get in touch with me through email at k.larson@shell.com or by phone at 403-339-3786 / 403-627-7282. Please do not hesitate to contact me if you have any questions or concerns, I'll talk to you soon.

Thanks,

Kali Larson

Community Liaison Officer - Waterton



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