

The EUB expects a company not only to reach agreement with the landowner, but also with others in the area who might be directly affected by an activity. The Board sets out the minimum notification and consultation distances in several tables in Directive 56: Energy Development Applications and Schedules. It can be helpful to look at parts of the directive, if you want to find out who a company is required to notify or consult. Chapter 2, Participant Involvement, sets it out quite clearly. You can find this directive on the EUB website by clicking on the "Industry Zone" tab, then on "Regulations, Rules, Requirements" in the drop-down menu. On the left of that page, you will see "Directives." If necessary, ask the local library to help you find this on its computer.

In those cases where a company is unable to reach agreement with a landowner or others who are directly affected, it has to tell the EUB when it makes its application for a license. In fact, it has to submit a non-routine application, in which it outlines the issues of concern. The Board will consider these issues before deciding whether or not to issue a license.

Remember that if you have questions you can contact the regional EUB office at Wainwright or Red Deer. It can also be helpful to meet with other landowners by joining a surface rights group or synergy group. The EUB can tell you if there is one in your area.

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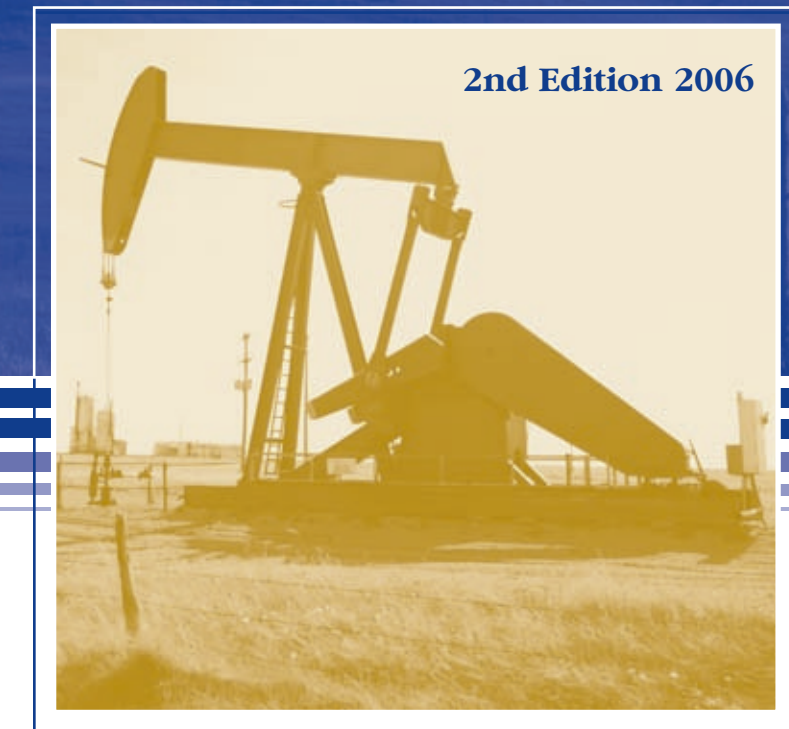


Interested landowners are encouraged to contact:

**OPERATION GRASSLAND COMMUNITY
or
PARKLAND STEWARDSHIP PROGRAM**

Alberta Fish and Game Association
6924 – 104 Street NW
Edmonton, AB T6H 2L7
Phone: (780) 437-2342
Fax: (780) 438-6872
On-line at: <http://www.afga.org/>

Oil & Gas Development Opportunities to Minimize Environmental Impacts on Your Land



Oil or gas wells on private land have become a common sight. If you are considering this type of development on your land, you can play a key role in working with the oil and gas company to create a lease agreement that ensures minimal possible impacts to your wildlife and agricultural resources. Being informed is the best bet towards making a decision that is right for your situation.

With information updated to 2006, this factsheet outlines what you can do when the oilpatch comes drilling in your back yard and is based on an outstanding series of newspaper articles by Mary Griffiths**, author of "When the Oilpatch Comes to Your Backyard". This important information will arm you with the tools you need to ensure you make the best decision necessary for you and for your land.

**Dr. Mary Griffiths is an Environmental Policy Analyst with the Pembina Institute. Her book, *When the Oilpatch Comes to Your Backyard: A Citizens' Guide* is a complete guide to interacting with oil and gas companies and is available from the Pembina Institute <http://www.pembina.org>

WHAT TO DO WHEN THE OILPATCH COMES KNOCKING

When a permit agent (seeks permission for seismic operations) or land agent (negotiates with the respect to oil and gas facilities) comes to your door to discuss seismic operations or the location of a well or pipeline on your land, do you know what to ask? Do you have to let a company on your land?

Did you know that you don't have to allow seismic activity on your land? In the case of rented land, the permit agent must obtain the permission from both the landowner and the occupant, as the seismic activity might cause impacts that last beyond the lease period. There is one exception - holders of grazing leases on public land are not allowed to refuse access. However, the company must inform the leaseholder at least five days before carrying out any activities and if the leaseholder has any concerns related to access, he or she should contact the local public lands staff.

If you do not allow the seismic crew on your land, they will probably locate their line in the adjacent road allowance. However, a company can still return later to put a well on your land.

The first sign that a company wants to drill might be a visit from a surveyor. A registered land surveyor must be allowed to enter and conduct surveys on private land, but the surveyor or the company that engages the surveyor is liable for any damage that the survey team may cause.

There are many things to know about negotiating with a company. Doing your homework can save you time and money and help you protect your land.

DRILLING FOR OIL OR GAS? TEST THE WATER FIRST

It's a good idea to get your water well tested before a company conducts seismic operations or drills an oil or gas well on your land. Negotiate this before signing an agreement. The test provides baseline information that is useful to both you and the company if problems later arise with the water well.

The test should cover both water volume and water quality. A basic flow test involves pumping a well at a constant rate for two hours or longer and recording the water levels during the drawdown period. After pumping is complete, the water level should be recorded on the same time interval as the pumping period for two hours or until the water level recovers to at least 90% of the non-pumping level.

A water sample should be collected near the end of the pumping period. A water quality test should include total dissolved solids, total hardness, alkalinity, pH, chlorides, sulphates, nitrates, nitrites, sodium, and perhaps some metals such as arsenic, which is naturally high in some areas. A test for total extractable hydrocarbons will establish whether there are oil- or gas-related substances in the water before drilling starts. Testing for gas content is especially advisable if a shallow coalbed methane well is to be drilled. Make sure that the laboratory carrying out the tests is accredited by the Canadian Association of Environmental Analytical Laboratories and ask for a copy of the test results, to keep for future reference.

If a company is targeting gas from a coal seam that may contain fresh (non-saline) water, it must conduct a Preliminary Groundwater Assessment even before it drills the well.

Alberta Environment's *Guidelines for Groundwater Diversion for Coalbed Methane/Natural Gas in Coal Development* requires a field-verified survey of the location of water wells, springs and dugouts within at least 1.6 kilometres of the well and information about the well, aquifer, pumping rate, etc. The survey is done to collect information on area water supplies and does not include testing or collecting a water sample from the well to determine well yield or water quality.

If the company finds non-saline groundwater in the coal seam, it may have to be pumped out to reduce pressure so the gas can flow to the surface. If the water is non-saline, the company must apply to Alberta Environment for an approval to divert it and provide a detailed technical report about groundwater conditions in the area. The company may also be required to place a public notice in an area newspaper to notify the public about the application for diversion under the Water Act. Alberta Environment will direct the company to respond to statements of concern from the public. All this is described in Alberta Environment's *Guidelines for Groundwater Diversion for Coalbed Methane/Natural Gas in Coal Development*

There can be many reasons for a problem water well. They are explained in *Water Wells That Last for Generations*, which is available from Alberta Agriculture, Food and Rural Development or its website. If you think the water well problem was caused by oil or gas development, first try to resolve the issue with the company. Any outstanding problems with seismic activity should be reported to Alberta Sustainable Resource Development's geophysical inspector. Alberta Environment handles complaints about water wells that may be affected by oil and gas drilling. The Farmers' Advocate Office administers the

Water Well Restoration or Replacement Program and can provide advice on other issues relating to oil and gas development. You can contact government offices by calling the government RITE line, toll-free at 310-0000.

THINK BEFORE YOU SIGN!

You should get your water well tested before signing a lease agreement, but there are also other issues that landowners might want to negotiate with a company.

A well or pipeline will be in place for many years, so think about your future farm operations. How will the proposed location of the well or pipeline limit the movement of farm equipment or affect possible plans for buildings or subdivision? If necessary, negotiate with the company to find a better location that will reduce the impact on your activities.

The company may be able to change the surface location of a well and, if necessary, use directional drilling to access a down-hole location from an adjacent land surface. Also think carefully about the pipeline route before signing a pipeline right-of-way agreement. The Alberta Energy and Utilities Board (EUB) sets minimum setback distances for wells and pipelines, but landowners may want facilities somewhat farther from their home. A more distant location is probably desirable if the well will produce sour gas or have noisy equipment. If the company is drilling for shallow gas or coalbed methane, ask if it has plans for a compressor. Noise from

compressors is a frequent complaint, but modern compressors can be quiet. Negotiate for quiet equipment.

Well drilling generates large volumes of waste in the form of drilling mud and drill cuttings that require storage and disposal. The EUB's *Guide50: Drilling Waste Management* sets out how a company must dispose of drilling mud. Decide if you want the company to remove all drilling wastes from your land or to handle them in a certain way.

After a company has drilled a well, it must be tested. The EUB tells companies what they must do in *Guide 60: Upstream Petroleum Industry Flaring*. Find out how long well test flaring will last and, if flaring is a health concern, ask the company to evaluate alternatives, such as inline testing or the use of a high-efficiency incinerator. The best option will depend on local conditions.

It's a good idea to think about reclamation before any work starts on a well site. Ask the company for a Pre-Construction Assessment Report. This will provide a baseline against which to measure future reclamation work. Such a report is not mandatory but is encouraged by Alberta Environment and the industry.

Think about compensation for the well lease area, including loss of use and adverse effects. Some landowners ask for compensation for the time that they take researching issues, before signing.

Don't forget to write everything that you have agreed with the company as conditions in the lease agreement before you sign it. If you need help with the wording, contact the Office of the Farmers' Advocate. You can do this, free of charge, by dialing the government RITE line at 310-0000.

GET HELP WHEN NEGOTIATING WITH THE OIL PATCH!

It can be intimidating when a land agent knocks on your door and presents you with a lease agreement to be signed. You don't have to sign anything for at least two days, and it's a good idea to carefully read the agreement, even if you have no objections to an oil or gas well on your land. Here are a few things to remember.

Take your time and think about what issues you might want to negotiate. Make a list of things you want to find out and discuss. When the land agent returns, ask for an explanation of anything you don't understand.

When negotiating any conditions that you want added to the lease agreement, remember that some give and take might be necessary. For successful negotiations, both you and the company must be able to obtain your bottom-line objectives and be willing to reach an agreement with each other.

Did you know that if you can't reach agreement, you can ask the Alberta Energy and Utilities Board (EUB) to facilitate a meeting? The Board has trained staff who can act as facilitators at informal "kitchen table" meetings between you and the company. If direct negotiations fail, the EUB can identify key concerns and help you to access its Appropriate Dispute Resolution process. This process can be used for disputes that arise prior to signing a lease agreement or for any issues that cannot be resolved regarding a company's operations.