



THE GROUNDBIRCH GAZETTE



SHELL'S NEWSLETTER FOR NORTHEAST BC

ISSUE 6 WINTER 2013

SHELL INCREASES INVESTMENT IN COMMUNITY BY ALMOST 350% IN 2012

In 2012, Shell Canada contributed \$673,000 to new initiatives and projects in the community.

Shell donated \$200,000 to local hospitals in the area to help residents receive the best medical care in their own communities and alleviate the need to travel for medical treatments. The Dawson Creek and District Hospital's 2012 Equipment Drive received \$100,000 from Shell to support the purchase of crucial patient care equipment and other special programs for the facility. The Fort St. John Hospital Foundation's Lend Your Hand campaign received a \$100,000 Shell donation as well to help raise the \$1.2 million needed to purchase equipment for the new Fort St. John Hospital and Peace Villa Facility, which includes a digital mammography machine, seven kidney dialysis chairs, 55 vital signs monitors and seven wireless fetal heart monitors.

Of the 65 other projects Shell funded, more than half were First Nation projects including those with Blueberry River, Sauleau, Halfway River, McLeod Lake and West Moberly First Nations.

For example, Shell has approved funding for three key projects at The Sauleau First Nation's Muskoki Learning Centre, which provides meaningful education and training opportunities to members in the community. The centre strives to incorporate cultural components in all of its programming. The first, the Youth at Risk project, finds ways to advance opportunities for youth in the community. Second, the



Participants build a birdhouse at 'Daddy & Me', a free drop-in program for children under six offered through the North Peace Community Resources Society. (Courtesy of www.familyfriendlycommunity.ca)

Elders Empowerment project, teaches elder band members basic computer skills to enable them to connect with others electronically. And third, the Traditional Plant Study project, strives to incorporate medicinal plants into Sauleau First Nation programming to enhance the band's cultural knowledge. This many communities in northeast BC, the Halfway River First Nation is in a remote location, which makes trips to nearby ice rinks to skate or play hockey difficult for young community members. With help from Shell, the Halfway River band plans to build an outdoor ice rink in the community this winter. The rink will bring members together in a positive, healthy and active way.

Our support is focused on those organizations which support the community, families and individuals. For example, the Family Friendly Initiative was created to

increase the capacity of non-profits in the North Peace and North Rockies region to support local families. The initiative strives to make the region the best possible place to raise children and uses tools like the Family Friendly website, the Business Toolkit and the Environment Guide to make that happen. The program works with businesses and organizations to create a family friendly culture. It also coordinates training opportunities and resource sharing to develop the practitioners needed to operate an effective non-profit sector.

To learn more about Shell's social investment program or for more information about how to apply for funding for your non-profit group, visit www.shell.ca/community.

OPERATIONS UPDATE WITH REJ TETRAULT



SAFETY IS ONE OF MY CORE VALUES. NOTHING IS MORE IMPORTANT THAN EVERY SINGLE PERSON WORKING ON OUR SITES RETURNING HOME SAFELY TO THEIR FAMILIES EVERYDAY.

In Operations, we have delivered our business without an injury in more than two years. That's because safety is not a choice or priority, it is just simply part of our culture and belief that zero harm should come to people or the environment. However, we still have room for improvement and are focused on flagging near misses and potential incidents to understand trends and underlying causes and ensure they don't become real incidents.

I believe the relationships we have with our neighbours continue to grow and develop. We have ongoing meetings with many people and groups in the community, including First Nations, local residents and municipal and provincial governments. Like all relationships, this requires commitment and effort on both sides. We won't always agree, but our relationships are strong enough to allow us to respectfully challenge one another. This has been tremendously valuable and rewarding, and as we move

the conversation beyond single developments and into a dialogue about the full field life of our asset, we can shape our development in a positive direction to better respect the community and environment.

One big step forward in the last few months was the official opening of our camp, the Sanataa Lodge, which clearly exhibited the strength of the relationship between Horizon North, Sauleau First Nations and Shell.

Local hiring and local content continues to be a key focus for all of us. Our goal is to ensure that we fully utilize local, qualified and competitive businesses and help them grow and capture more of our business in the future. The numbers are getting better all the time - in 2012, well over 50 per cent of our contractor spend was local, and Operations hired over 25 employees from the community. And still more are needed as we prepare to staff up for our Saturn Gas Plant. If you are interested in employment with Shell, I urge you to check out www.shell.ca/careers.

Construction of our Saturn I Gas Plant continues. Currently, we have approximately 450 workers at site. With all of the equipment packages delivered, our activities are now focused on installing piping, electrical and instrumentation components to the facility.

In light of low commodity prices, we've adjusted our capital plans but continue on with our development activities in Groundbirch. In 2013, we will continue to focus on reducing our footprint by drilling fewer pads (with more wells per pad), optimizing the gas and water systems via pipeline construction projects, installing well site compressors to optimize production and eliminating the need for water trucks with well site pump installations.



Saturn Plant Construction

We are seeing an increasing number of movies and documentaries about energy and natural gas hitting the big and small screen, with more to come. We are glad to see these topics getting attention and are firmly committed to engaging in respectful discussion on the issue of responsible energy development. This discussion is important to all of our futures, and we believe it will help promote the responsible development of natural gas and oil resources in the United States and Canada as part of a secure energy mix for North America.

If you have questions on the issues raised, please call us at **1-888-384-6465**. We are always available to talk through issues and opportunities with our neighbours.

My family and I have been enjoying the abundance of snow this season - getting out on our sleds and skis. I hope everyone is also having a safe and enjoyable winter.

SANATAA LODGE OPENS ITS DOORS TO SHELL CANADA

On November 14, 2012, members of the Sauleau First Nations, Horizon North and Shell Canada celebrated the grand opening of the Sanataa Lodge, a camp that provides temporary housing for Shell employees and contractors working at Groundbirch.

Located within the Sunset Community Pasture, the Sanataa Lodge is about halfway between Fort St. John and Dawson Creek, and provides amenities that include a full kitchen, full gym, recreation room and internet and cellphone service. A conference room will be completed in the spring, allowing the lodge to become a meeting place for site visitors.

The 372-bed lodge first opened its doors on August 1, 2012, and is operating at full capacity.

Before the Sanataa Lodge was constructed, workers stayed in hotels and drove to site. Now that Sanataa is open, Groundbirch has seen a significant decrease in road traffic.

"We bus our employees to and from camp," said Rita Gushue, Logistics Team Lead. "This has removed a good deal of vehicles from the roads around site."

Besides decreasing Shell's footprint in the area, the Sanataa Lodge has also greatly benefited the Sauleau First Nations, with a significant stream of revenue and employment opportunities.

This project has become a model of successful collaboration between Shell and external organizations.



Sanataa Lodge

MONTNEY MOMENTS

A FAREWELL FROM MANUEL WILLEMSE & INTRODUCTION TO FRANK GEORGE, GENERAL MANAGER GROUNDBIRCH & BC

2012 WAS A VERY BUSY YEAR - NOT JUST FOR GROUNDBIRCH BUT FOR EXPLORATION IN THE GUNDY GAS FIELD, ABOUT AN HOUR NORTHWEST OF FORT ST. JOHN, AS WELL.

In Groundbirch, we ended the year with a total of 300 wells in production, including 81 new wells drilled in 2012. Currently, we have four rigs working in the Groundbirch area. Later this year, some rigs will move north to drill an additional 60 to 70 wells.

The active exploration program underway in Gundy is focused on understanding the area's potential for future development. To date, we have drilled 19 wells with two producing. Overall, the development could look similar to our Groundbirch asset, although we may produce our gas through third party gas plants rather than through Shell facilities, until we can better assess the resource potential.

In December 2012, we announced we would be building a Gundy water hub and recycling facility, which would centralize the management and distribution of water and fluids to our well pad locations. As in Groundbirch, our primary consideration is to reduce our environmental footprint and minimize our use of fresh water by re-using any water produced back from the wells. In the early stages of development and exploration at Gundy, fresh water is sourced from run-off ponds that

collect rain water and snow melt. However, we are evaluating alternatives to this that could be pursued over the long-term, such as drilling deep saline water wells or using reclaimed and recycled water from our Groundbirch operation. Construction of this facility could begin as early as June 2013.

This will be my last update for Groundbirch. After several great years in Canada with my family, I am heading back to the Netherlands to begin a new role in Shell's Upstream International business. I have enjoyed my time here tremendously - especially the times spent talking with and learning from you, our neighbours. Your advice and input has given me a new perspective and will help me become a better leader for Shell, as well as help Shell become a better company and neighbour.

Frank George will be taking over the reins of our development in northeast BC. Frank grew up in the lower BC mainland and graduated with an Engineering degree from UBC in 1976. He joined Shell in Calgary as a production engineer. Since then, he has worked in a variety of engineering roles, including foreign assignments with Shell in Aberdeen. His technical, operational and business leadership roles include Project Manager at Shell's Sarnia Refinery, Operations Manager for the Central Alberta Region and a one year secondment with

the Canadian Association of Petroleum Producers (CAPP) working on safety and environmental issues in the industry. His most recent assignment was Development Manager for the Deep Basin unconventional gas assets in west central Alberta.

Frank is excited to join the team and, in the coming months, looks forward to getting to know our neighbours in the area. Frank brings with him a focus on Shell's Goal Zero, safety and the environment, and in finding ways to work closely with our neighbours to continue paced development in this new and challenging business climate.

It was a hard decision for me to leave and take on a new role, but it gives me great comfort knowing that our development is in good hands.

Regards,
Manuel



Frank George

THE GROUNDBIRCH GAZETTE - SHELL'S NEWSLETTER FOR NORTHEAST B.C.

THE GROUNDBIRCH GAZETTE IS A BIENNIAL NEWSLETTER FEATURING SHELL STORIES FROM THE GROUNDBIRCH AREA. IF YOU HAVE ANY QUESTIONS, COMMENTS AND/OR IDEAS FOR STORIES, PLEASE CONTACT LOCAL COMMUNITY AFFAIRS AT **1-888-384-6465** OR EMAIL GROUNDBIRCH@SHELL.COM



MEET SHELL'S GROUNDBIRCH TEAM

BRYANT BIRD



Born and raised in a close-knit community along British Columbia's Sunshine Coast, Bryant Bird grew up along the beautiful waters of the Pacific Ocean.

After pursuing his education at Simon Fraser University and the University of Northern British Columbia, Bryant lived and worked in several communities across northern BC. In 2010, he began working for the District of Taylor. Bryant got to know the community pretty quickly in the role of lead organizer for the 11-part CBC documentary series *Village on a Diet*.

Last September, Bryant joined Shell's Groundbirch team as Social Performance advisor. This role gives Bryant the chance to support local initiatives that address key community issues in the region.

"At the government level, great ideas were often difficult to implement due to a lack of funding," Bryant explained. "Now, I'm on the other side. I can go to people who have a vision for the community and offer them the support needed to get the idea off the ground."

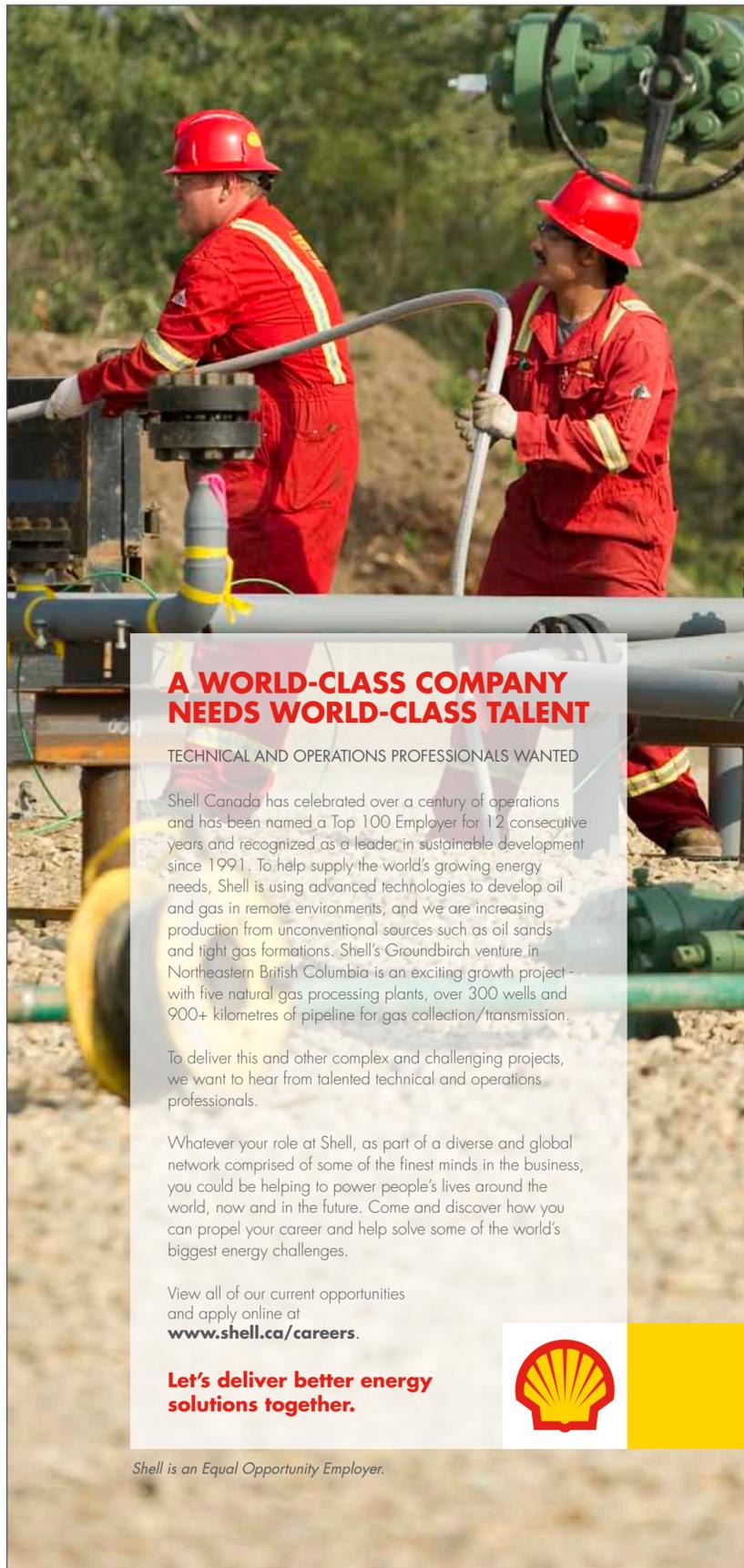
DARCY BAILEY



Darcy Bailey was halfway through an Environmental Sciences graduate degree at the University of British Columbia when he heard about a young man working in the oil and gas industry in Fort McMurray. The man, in his early 20s, earned more than Darcy's parents, combined. With that, Darcy opted out of Environmental Sciences and started a power engineering program. A year later, he was working in BC's oil and gas industry.

A Fort St. John resident since 2007, Darcy joined Shell's Groundbirch team last June as Lead Operator for the Saturn 1 plant. With plant construction still underway, the Operations team has focused on preparing strong operating procedures for the facility to ensure it runs safely and efficiently.

Outside of work, music is an important part of Darcy's life. You can sometimes find him playing locally at private functions in Fort St. John. At the Groundbirch Christmas party in December, Darcy grabbed his guitar and hopped on stage to the delight of his co-workers. He added: "I don't like playing to the back of people's heads so I made sure I got the Groundbirch team to sing along!"



A WORLD-CLASS COMPANY NEEDS WORLD-CLASS TALENT

TECHNICAL AND OPERATIONS PROFESSIONALS WANTED

Shell Canada has celebrated over a century of operations and has been named a Top 100 Employer for 12 consecutive years and recognized as a leader in sustainable development since 1991. To help supply the world's growing energy needs, Shell is using advanced technologies to develop oil and gas in remote environments, and we are increasing production from unconventional sources such as oil sands and tight gas formations. Shell's Groundbirch venture in Northeastern British Columbia is an exciting growth project with five natural gas processing plants, over 300 wells and 900+ kilometres of pipeline for gas collection/transmission.

To deliver this and other complex and challenging projects, we want to hear from talented technical and operations professionals.

Whatever your role at Shell, as part of a diverse and global network comprised of some of the finest minds in the business, you could be helping to power people's lives around the world, now and in the future. Come and discover how you can propel your career and help solve some of the world's biggest energy challenges.

View all of our current opportunities and apply online at www.shell.ca/careers.

Let's deliver better energy solutions together.



Shell is an Equal Opportunity Employer.

SHELL SIGNS ON WITH 'COMMUNITY PARTNERS' AND COMMITTS TO COMMUNITY-FRIENDLY OPERATIONS

In October, Lorraine Mitchelmore, President and Country Chair of Shell Canada, announced Shell's decision to join Community Partners, an industry-wide program designed to strengthen the relationship between the oil and gas industry and local communities in western Canada.

Developed in response to a public survey of residents in 12 western Canadian communities, Community Partners aims to focus industry attention on the concerns of local residents related to oil and gas activity. The program's guiding principles remind workers to communicate openly with residents and treat them and their property with respect, as well as address the issues of dust,

gates, garbage, noise, driving safety and traffic.

Shell has long committed to operating in an environmentally and socially responsible manner. One of the first operators in the region to become involved, Shell's participation in the Community Partners program opens the door to working with other community-minded companies to address local concerns under one strong set of standards.

Carson Newby, Community Affairs advisor at Groundbirch, is involved with the implementation process of the program and sees a variety of ways Shell Canada can work with industry partners to apply the guiding principles of Community Partners to local communities.

"Oilfield roads in northeast BC are littered with signage, some neglected, from different companies in the area," said Newby. "If all of our industry partners worked together under the Community Partners program, we could clean up and improve how we as an industry share our commitment to local residents and remind our workers of the expectations upon them while in the area."

To date, Shell is one of 28 companies across British Columbia and Alberta involved with the program.

Interested in the Community Partners program? Visit www.communitypartners.com for more information.

BUILDING SKILLS IN ENVIRONMENTAL MANAGEMENT

Shell has provided financial support to the University of Northern British Columbia's First Nations Studies and Ecosystem Science and Management programs in the hopes of helping Treaty 8 First Nations build knowledge leading to work skills in the environmental field. These skills will focus on environmental assessment and monitoring of reclaimed sites and adjacent undisturbed forested and wetland ecosystems.

It is hoped community involvement in the project design, selection of planting shrub and tree species and field implementation could lead to active involvement in upcoming reclamation projects and job skill development in environmental sciences, including soil, wildlife and vegetation identification, research and monitoring of

existing plots for measuring reclamation success on the pipeline, and opportunities to establish new plots to test reclamation techniques incorporating traditional knowledge.



Dr. Mike Rutherford and Dr. Chris Opio (Ecosystem Science and Management Program), Katherine Scouten (UNBC Development), Bill Wilson (Peace Forage Association), Mark Sherrington (Shell Canada), Toby Turner (UNBC M.Sc. Student - Ojgay Pipeline Reclamation) and Julie Robinson (BC Ministry of Agriculture) pose for a photo.

SHELL PROVIDES OPPORTUNITY FOR 'RIG'OROUS EDUCATIONAL TRAINING AT NORTHERN LIGHTS COLLEGE

Students preparing for employment in the oil and gas industry can now learn how to safely and efficiently operate a full-sized drilling rig at NLC, thanks to Shell Canada and industry partners in the region.

On Oct. 12, the college opened the first-ever Simulated Well Site Training Facility at its campus in Fort St. John. The facility houses a full-sized drilling rig, donated by Nabors Canada, which allows students to learn all the steps involved in operating and maintaining a rig in a safe and educational environment.

The donation, relocation and installation of the 40-metre drilling rig on site took the efforts of a team of industry and government partners. Mullen Oilfield Services transported the rig from Hinton, AB to Fort St. John, free of charge. Sterling Crane supported the loading, off-loading and erection of the rig at site. Cancor drilled a 40-metre cased and celled hole.

In addition to donating \$100,000 to the project, Shell provided in-kind services by assisting with the rig setup. "Our Civil Earthworks team at Groundbirch 'paved the way' for the drilling rig project to happen," said Mike Berry, Well Delivery Manager. "They prepared the ground at site and laid down wooden matting over a gravel pad. Thanks to them, it looks like a typical site location."



Northern Lights College, Fort St. John Campus

Groundbirch also supplied a site supervisor during installation at the cost of \$1,500 per day. In total, Berry estimates Shell provided NLC with \$200,000 in support of the facility.

It's an investment with a big pay-off.

"Our goal is to hire local people and support the development of the communities in which we operate. With this program, we know the college will be able to attract the best talent, and we, in turn, will get the best operators," said Rej Tetrault, Operations Manager at Groundbirch.

Interested in the Simulated Well Site Training Facility and energy-related programs at Northern Lights College? Visit www.nlc.bc.ca for more information.

HOW SHELL IS GETTING LOCAL COMMUNITIES INVOLVED IN THE RECLAMATION PROCESS

Mark Sherrington is an environmental planner for Shell. Over the last year, he has been working on a number of different reclamation projects across Shell sites.

These projects cover a wide range of landscapes and projects, but there is one thing they have in common: providing educational opportunities to the local communities around Shell operations.

In western Canada, Sherrington and his team have focused their efforts on reclaiming British Columbia's caribou habitat and Alberta's fescue grasslands.

Reclaiming caribou habitat

"Caribou are very sensitive to changes in their ecosystem," said Sherrington. "Reclaiming the area around our pipelines is one of the most effective things we can do to bring back their habitat."

This year, Sherrington and his team are approaching this reclamation from a different angle. They've been using traditional, rather than commercial, plants around one of Shell's pipelines at Deep Basin.

"We've been reclaiming dry- and wetland areas using plants with traditional significance, such as juniper and kinnikinnik, to return the landscape to as close to its original state as possible."

By working with First Nations communities to reclaim the area, the team hopes to create opportunities for environmental job skill development. They also hope to be able to film their progress to provide distance learning opportunities for schools like the University of Northern British Columbia.

