



CHINOOK NEWS



THE NEWSLETTER FOR THE SHELL WATERTON REGION

FALL 2013

NEW DEVELOPMENT IN THE WATERTON REGION

AS A REFRESHER, THE WATERTON 68 WELL WAS SUCCESSFULLY AND SAFELY DRILLED IN 2011.

This spring Shell received approval from the Energy Resource Conservation Board (ERCB) – now the Alberta Energy Regulator (AER) to construct the sour gas tie-in pipeline, a fuel gas pipeline and associated surface facilities at the Waterton 68 well site. Shell is currently working through plans to satisfy the conditions, commitments, and recommendations tied to those approvals and construction activities could commence in late August. Shell remains committed to keeping local stakeholders aware of our planned activities in the area and will provide updates as plans progress.

In addition to Waterton 68, Shell continues to look at other opportunities to utilize the significant infrastructure that is in place (Waterton gas plant and associated gathering system). Shell does this primarily in two distinct ways. The first is through optimization of the existing well stock and compressor facilities in the Waterton area. The second is through the addition of selective new wells. These actions provide incremental production volume to the Waterton gas plant to slow down and/or otherwise makeup for natural field decline. Shell is currently looking into an opportunity that would involve a new well to be drilled in 2014 on the Waterton 67 location. At this location there is no new surface lease required and no new linear disturbance associated with a pipeline as this is an existing location.

Shell is committed to communicating and consulting with the community with respect to new development in the area and will be conducting further engagement on this well through WAG and resident meetings. Any new well would be subject to the regulatory approval process.

CALLING ALL TEACHERS AND STUDENTS! CLASSROOMS WANTED FOR NATIONAL CHALLENGE

REGISTRATION STARTS IN SEPTEMBER FOR ANOTHER ROUND OF THE CLASSROOM ENERGY DIET CHALLENGE. THE NATIONAL ENERGY EFFICIENCY CONTEST IS SPONSORED BY SHELL CANADA AND CANADIAN GEOGRAPHIC AND AIMS TO INCREASE ENERGY LITERACY IN CANADA.

Students in classrooms across Canada will again compete starting in February of 2014 through fun and educational assignment-based challenges designed to increase their knowledge and awareness about energy use in Canada. In 2013 over 40,000 kindergarten to grade 12 students from across Canada participated in the program.

"This past year we were blown away by the students' creativity and resourcefulness," said Ashley Nixon, Manager of NGO and Stakeholder Relations for Shell Americas. "We're also thrilled the number of classrooms participating this year tripled and hope even more schools will become involved in future. The level of interest tells us that schools see value in learning about where energy comes from, how it's used and the issues we face managing resources."

The Challenge includes a classroom assignment competition, video contest, and new in 2014, a Green Your School challenge. The Classroom Challenge features 25 curriculum-linked lesson plans which focus on energy literacy and conservation, including traditional and alternative sources of energy. The video contest challenges classrooms to film a public service announcement outlining ways to reduce energy use. The newest challenge, Green Your School,

provides an opportunity for students to create an energy conservation project that will benefit their classroom, school and ultimately, their community. Top prize is a \$10,000 grant to implement their project. Classes also have the chance to win a multitude of other prizes including funds for school technology, supplies, field trips, classroom parties and contributions to a charitable organization of the students' choice.

The impact of the Classroom Energy Diet Challenge was recently acknowledged with an Award of Merit from the Global, Environmental and Outdoor Education Council of the Alberta Teachers' Association. The award recognizes the program's impact on classrooms across Alberta in raising awareness about the importance of energy conservation.

For more information or if you are a teacher looking to register a classroom, please visit energydiet.canadiangeographic.ca.



Students from Duncan Cran Elementary in Fort St John, BC presenting thank you plaques to Ellen Curtis of Canadian Geographic and Rejean Tetrault of Shell.

WAG WANTS YOU

IF YOU'RE INTERESTED IN LEARNING MORE ABOUT SHELL IN THE AREA OR WOULD LIKE REGULAR UPDATES ON OUR ACTIVITIES, PLEASE PLAN TO ATTEND THE NEXT WATERTON ADVISORY GROUP (WAG) MEETING ON OCTOBER 17TH AT 5 PM AT THE HERITAGE INN IN PINCHER CREEK.

WAG is a multi-stakeholder group established to ensure that the Waterton Field is developed in a manner that balances social, environmental, and economic benefits for the community and region. Attendance is open to anyone interested in broad discussions to find collaborative solutions. The group meets quarterly to discuss operations, ask questions and work together to ensure responsible development. Topics for the October meeting include but are not limited to: An update on Shell's operations, updates on the air monitoring study and the ombudsman program and potential future development plans.

THE CHINOOK NEWSLETTER FEATURES SHELL STORIES HAPPENING IN THE WATERTON AREA

FOR MORE INFORMATION ON NEWS IN YOUR AREA, OR IF YOU HAVE ANY QUESTIONS OR CONCERNS ABOUT SHELL, PLEASE CONTACT:

ROD SINCLAIR
COMMUNITY AFFAIRS REPRESENTATIVE, SHELL
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OPERATIONS UPDATE

AN UPDATE FROM JIM LITTLE – OPERATIONS MANAGER FOR SHELL'S WATERTON COMPLEX.

I'D FIRST LIKE TO THANK ALL OF OUR WATERTON STAFF, THEIR FAMILIES AND OUR EXTENDED COMMUNITY FOR YOUR SUPPORT IN 2013. BY WORKING TOGETHER, AND LISTENING TO EACH OTHER, WE'VE BUILT OVER 50 YEARS OF HISTORY TOGETHER AND I LOOK FORWARD TO MANY MORE YEARS OF SAFE OPERATIONS.

It's been a tough few weeks in parts of Alberta, as many families and businesses deal with the aftermath of the recent floods. The Waterton Complex was fortunate in that we sustained no long term damage from the floods. We maintained our focus on safety during the heavy rainfall and I'm proud to report that we had zero recordable safety incidents.

We are in the midst of repairing four bridges that were partially damaged due to high water levels and expect this work to be complete by the end of September 2012.

We've recently completed all our Pipeline inspections using Smart Tool technology. This technology travels through pipelines proactively to identify potential corrosion with no major integrity findings.

I'm excited to announce two new pilot products we're using at site: Thiocrete and Thiopave. Thiopave is a patented Shell technology developed to help road construction companies and road owners to improve road performance through the innovative use of sulphur in the asphalt mixture. Shell Thiocrete combines the

inherent strengths of sulphur with leading edge cement technology. Unlike traditional cement, Thiocrete uses modified, heated liquid sulphur to glue the mixture together and form a stable, hard concrete product. The pilot project is underway at the site, and I'm looking forward to sharing the results with you soon.

I routinely provide operations updates at the quarterly Waterton Advisory Group (WAG) meetings. If you're interested in hearing more about our operations, please plan to attend our next WAG meeting. More details are included inside this newsletter.

If at any time you have concerns about our Shell Waterton activities or smell an odour, please call our **24-hour emergency line at 403-627-4200**.

Stay safe.

Jim Little

COMMUNITY INVESTMENT GIVING BACK WHERE WE LIVE AND OPERATE

SHELL STRIVES TO BE A RESPONSIBLE OPERATOR IN THE AREA WHO GIVES BACK TO THE LOCAL COMMUNITY.

Our approach to community investment is to ensure that we're able to support programs and organizations that respond to the needs of the communities where we live and work.

In 2013, among other organizations, Shell has supported the following:

- Pincher Creek Watershed Group's Blue Weed Blitz
- Small Spurs program
- Group Group Youth Society
- Numerous local 4H clubs

Shell supported the Beaver Mines Volunteer Fire Department with a \$7,000 investment to help purchase a new ATV; Pincher Creek and District

Agricultural Society received \$10,000 for its various rodeos. Last but not least, Pincher Creek Search and Rescue received a \$15,000 donation to upgrade its mobile command post (see photos below). The Pincher Creek Search and Rescue received a motor home vehicle in spring 2012 from the Alberta government to be used as a mobile command post. The command post is used to organize searches; it can be driven into different terrain, set up and used by the rescuers as the central location to receive assignments, debrief, connect with the RCMP etc. Shell's donation supported some much needed maintenance and renovations to the vehicle including: new batteries and a generator, a new satellite telephone and necessary connections, a new paint job, and the installation of a map desk.

Pictured L to R: Brian Balak, Jim Little, Russell Lee, Rod Sinclair



STAFF PROFILES MEET JEN PLATMAN



Jen Platman, Shell Canada, Senior Consultation Specialist

In April of 2013 Jen joined Shell's Waterton team as the Senior Consultation Specialist. Jen is responsible for the delivery of Shell's commitments as well as ongoing project communication with local residents and businesses.

Jen began her career at Shell in November 2010; she was previously responsible for Shell's consultation in Northeast British Columbia specifically the shale gas projects. Jen has a diverse career history with a background in advertising and public relations, as well as over 10 years in environment, regulatory and community consultation.

Jen is an active member of the Canadian Association of Petroleum Producers (CAPP) supporting the Stakeholder Engagement Committee. In her spare time Jen enjoys hiking, reading, gardening and skating. If you have any questions, please don't hesitate to contact Jen at **403 384 5257**.



THE LATEST ON DAR

SHELL'S DECOMMISSIONING, ABANDONMENT AND RECLAMATION (DAR) TEAM MANAGES THE DECOMMISSIONING, ENVIRONMENTAL ASSESSMENT AND REMEDIATION /RECLAMATION OF OUR ASSETS TO MEET THE EXPECTATIONS OF THE REGULATORS AND OUR COMMUNITY. DAR INVOLVES THREE PHASES:

ABANDONMENT, REMEDIATION AND RECLAMATION.

The first step is downhole abandonment. The underground infrastructure is removed and one or more cement plugs are placed downhole, thereby isolating the natural gas zones from the surface, protecting groundwater, and preventing flow to other porous rock intervals. Once downhole abandonment is completed, surface abandonment is carried out, in which the wellhead and casing are 'cut' and then a cap is welded over top and buried. The abandonment process is considered complete when the well can be left indefinitely without further attention.

AN UPDATE ON OUR CURRENT DAR WORK:

Waterton 9: Reclamation that fits the needs of Shell's neighbours

This well was originally spudded in September 1959 and abandoned in September 1978. Originally, Shell proposed to reclaim the Waterton 9 site to its pre-disturbance environment of, predominantly, aspen trees. However, Alberta Environment and Sustainable Resource Development (AESRD) indicated the site should be reclaimed to grasslands to meet the range improvement objectives of the Integrated Resource Plan.

The DAR team recontoured and reseeded with native seed mix including junegrass, western wheatgrass, rough fescue, green needlegrass and awned wheatgrass. 14,000 plugs of rough fescue and Parry's oatgrass were transplanted on the lease. The reclamation certification application was submitted to AESRD in December 2012.



Waterton 5: The remediation of Waterton 5 is underway. The abandonment was completed in XYZ. Phase II of the ESA was complete in 2012 and remediation plans are underway this year.

Waterton 21

Reclamation is ongoing at the Waterton 21 site including vegetation and weed management. This particular site is an example of how quickly DAR work can be done from the end of life of the well to the down hole abandonment. The site is located behind a locked gate and sits in a key wildlife and biodiversity zone that is home to sheep and elk. Shell has a six to eight week window where we can complete our work due to the wildlife land use guidelines that exist in protected zones.

THE DAR TEAM RECONTOURED AND RESEEDED WITH NATIVE SEED MIX INCLUDING JUNEGRASS, WESTERN WHEATGRASS, ROUGH FESCUE, GREEN NEEDLEGRASS AND AVNED WHEATGRASS.

SHELL OPEN HOUSE

Meet the team, ask questions and find out more.

TWIN BUTTE COMMUNITY HALL
THURSDAY, SEPTEMBER 12 | 5-8 PM

Shell representatives will be on-hand to provide you with an update on our activities in the area, information on future plans, and answer any questions you may have.

Your whole family is welcome to attend. Food and refreshments will be provided.

Please contact Rod Sinclair at 403 627 7282 if you require additional information.

THE MONTANE ELK PROJECT

SHELL CANADA WINS AN EMERALD SHARED FOOTPRINTS AWARD FOR SPONSORSHIP OF THE MONTANE ELK PROJECT.

Annually, Alberta's Emerald Foundation recognizes extraordinary achievements Albertans make in protecting, enhancing and sustaining the environment.

When industry builds a well-pad, they need access roads to get to those well-pads. The problem: Elk, grizzly bears and other wildlife are highly sensitive to roads; anymore than roughly 12 cars a day will cause these animals to modify their behaviours and impact the health of the animal.

Roads pose a big problem, but as we all know from our rush hour commutes, roads are a critical aspect of modern transportation. Predicaments like this are what spurred the creation of the Montane Elk Project which dared to ask the question: How does human activity impact animals in the Waterton area?

The Montane Elk Project—a collaborative Project uniting partners from Shell, academia, government, environmental non government organization and other industries—was aimed at gaining a better understanding of how industry and governments throughout the world can mitigate human wildlife conflicts.

This research resulted in new methods of mitigating the ecological effects of energy development on the environment. One of the studies conducted by the Montane Elk Project made a recommendation to industry that a better Traffic Management System was needed.

Shell, in turn, used this data to develop integrated Land Management Systems which promote the sharing of roads with the ranching and timber-harvesting industries to decrease traffic volumes.



In addition, Shell employees and contractors carpool, convoy or bus to and from site when possible, to reduce traffic effects on wildlife.

IN CONSULTATION WITH THE PROVINCIAL GOVERNMENT, SHELL CONTINUES TO ADHERE TO THE CASTLE ACCESS MANAGEMENT PLAN GATING ACCESS TO SENSITIVE AREAS, AND RECLAIMING OLD ACCESS ROADS. THIS REDUCES SHELL'S OPERATIONAL FOOTPRINT AND REDUCES CONFLICT AND IMPACTS TO WILDLIFE THROUGH TARGETED ACCESS AND TRAFFIC MANAGEMENT MEASURES.

These methods have been highly effective at reducing traffic volume and effects on wildlife, particularly elk and grizzly bears. Government advisories on the gates state that the area is a restricted access road, and as long as those gates are respected, they limit the access to that small area.

"This is a perfect example of the power of collaboration," says Ryan Smith, Environmental Planner, Shell Canada. "Through the vision and innovation of Roger Creasey, who initiated the Montane Research Program, the project team was able to acquire quality data about animal behaviours. This provides government and industry with a valuable tool to mitigate impacts to wildlife through avoidance or impact reduction by tailoring the development schedule accordingly (e.g., traffic volumes, traffic patterns)."



Southwest Alberta has been an important oil and gas industry location for over 50 years, it is important to industry and government to understand their impact on the area. No study of this extent has ever been done in southwest Alberta. Over seven years, researchers have captured and radio-collared elk in seven different winter ranges in southwest Alberta, making this the world's largest radiotelemetry study on elk.

Shell Canada makes creating a sustainable industry through responsible development a top priority. "This is a great testament to Shell's sustainability efforts and our core values as a responsible developer and producer of energy," said Glen Sine, Foothills development manager, Shell Canada.

Before undertaking any project, Shell considers each project independently, from the geology to the surrounding environment and communities, designing our activities around our five aspirational Onshore Operating Principles. One of these key principles is: Reduce our operational footprint.

These principles are designed to reduce risk to the environment and keep those living near our operations safe. For a detailed list of all five of our aspirational operating principles, please visit Shell's website.

For a full list of Emerald Award recipients, please visit the foundation's website. To find out more specifics regarding the Montane Research Program and its continued research, please visit the project's website.