



WEST CENTRAL STAKEHOLDERS

LANDOWNER AWARENESS GUIDE: INTERACTING WITH THE OIL AND GAS INDUSTRY

OBJECTIVE

Land in Alberta carries two titles and two sets of rights. The surface title gives the landowner ownership of the surface of the land and the right to work it. The mineral title gives the company or person who owns the minerals under that land the right to explore for oil and gas. The mineral owner needs access to the land surface to drill for and produce oil and gas.

This guide has been compiled for the community. In an effort to foster mutual respect among community, industry and regulatory stakeholders, the West Central Stakeholders (WCS) group is committed to sharing information and creating understanding about oil and gas development in Clearwater County.

Two important conditions apply to the operator's/licensee's right to explore. First, drilling and production activity must be done in a way that is environmentally and technically acceptable. Second, an operator/licensee is encouraged to operate in ways that cause the least possible interference with the landowner's use of the land.

This is a living document and can be refined through dialogue with WCS group. The forum for discussion and improvement of these Best Practices will be at WCS monthly meetings.

FOUNDATION

- WCS best practices and landowner awareness documents are separate and apart from regulatory and legal guidelines for development. Industry should follow and strive to exceed industry guidelines, laws and regulations.
- Values of honesty, integrity and mutual respect are top priorities and an expected standard of conduct for all oil and gas companies operating within the West Central Stakeholders area.

- Companies and community members should deal fairly, ethically, openly and honestly with each other.
- Companies must comply with all applicable environmental regulations to demonstrate respect of environment and public/private land and to minimize and mitigate environmental impacts. Companies are encouraged to apply responsible standards where laws or regulations do not exist.

BEFORE THE LAND AGENT ARRIVES

Know the value of your land and the gross income per acre from all sources. Keep records on crop value and yield including poor and better producing area on your land.

Contact the Surface Rights Board and/or Farmers' Advocate to determine average lease agreement compensation in your area.

Create a farm plan including future plans you may have for subdivision and other building sites. Talk to local municipal representatives concerning other possible restrictions.

Be aware of where existing oil and gas wells, pipelines and facilities are located.

Consider nearby residents – talk to your neighbours.

Consider joining a local synergy group or surface rights group.

Research oil and gas development by contacting neighbours, community-based groups, industry associations such as Canadian Association of Petroleum Producers (CAPP) or regulatory agencies such as the Energy Resources Conservation Board (ERCB) (toll-free 310-000, 403-340-5454). See *contacts on back pages*.

Obtain and read documents such as:

- *When the Oilpatch Comes to Your Backyard: A Citizens' Guide* (The Pembina Institute),
- ERCB EnerFAQs 7 Proposed Oil and Gas Development: A Landowner's Guide - When oil and gas companies propose development on or near your property, you want to be aware of your rights as a landowner your options and ERCB *Directive 56: Energy Development Applications and Schedules Appendix 11*,
- Various Farmers' Advocate publications.

Consider hiring a consultant or someone to negotiate on your behalf and/or to review the contract.

Typically, compensation for your time is included under general disturbance. Check with the land agent during initial phone calls to confirm how compensation for time is addressed by the company he or she represents.

Consider including in the contract future means for resolving disputes if the contract terms are not fulfilled or become a point of dispute, for example mediation.

Decide where a well, pipeline or facility would or would not be acceptable to you and discuss with the company.

BEFORE WRITING A CONTRACT

Fully understand the proposed development on your land. This might be done through maps or aerial photos that could later form part of the contract.

If necessary, ask the land agent to get additional information from an expert in the company (ie a hydrogeologist regarding water.) Ensure all questions are answered before signing.

Look at other contracts, including additions to those contracts, and conditions in other lease agreements. Determine what is important to you and negotiate on those points.

Be fair, clear and consistent with the company representatives about your concerns.

BEFORE SIGNING A CONTRACT

TAKE TIME before you sign the agreement and do not feel pressured to sign. It is your decision whether to sign or not and you don't have to sign. You have a minimum 48 hours (not including holidays and weekends) after receiving the agreement before you sign it, as per the Land Agent Licensing Act. If you choose to sign it before the 48-hour period is up, a waiver must be signed (to be explained by land agent.)

MAKE SURE EVERYTHING AGREED TO IS PUT IN WRITING AND IS SPECIFIC, e.g. fencing: 4-strand barbed, 7-foot, 3 to 4-inch pressure-treated post fence. If it is not in writing, it is not part of the agreement and may not be carried out by the company or its contractors.

DO NOT SIGN until all your questions are answered and you are completely comfortable with the terms. You have the right to make sure you are informed and know what is involved and expected.

If you cannot reach an agreement, there is neutral mediation through the ERCB or SRB to resolve disputes at no charge to the landowner or resident. If a resolution is still not possible after mediation, a hearing may be necessary. A hearing is a process that results in a legally binding decision on future development. Funding for expenses is available to landowners granted standing at the hearing upon request.

AFTER THE CONTRACT IS SIGNED

Contact the company directly to resolve any problems or concerns that arise.

If you need assistance, call the ERCB at 310-0000 then 403-340-5454. They will help you through the process and take action if within ERCB jurisdiction. If the problem is outside ERCB jurisdiction, they will continue to assist to ensure the appropriate agency or resource can help you.

Emergencies: In case of an oil or gas emergency, ERCB representatives are available at 24 hours a day, 7 days a week, 365 days a year at 403-340-5454. If you live in the Clearwater Mutual Aid Co-op area (in Clearwater County west of Hwy 22 and south of Hwy 11) call 1-866-950-CMAC (2622). Or within the Sundre Petroleum Operators Group region (south of Hwy 54, east to Hwy 766, ranges 7 & 8 in the west and Hwy 852 in the south) you can call 1- 800-567-0818.

If you think changes in the manner in which oil and gas is developed in Alberta are required, we suggest contacting your MLA and/or joining a local synergy or surface rights group to lobby for change.

COMMUNITY RELATIONS

Companies operating in the West Central Stakeholders area are asked to:

- Make a courtesy call to immediate/affected neighbours prior to key stages of development along with completion of operations (ie: rig moves, spudding, entering critical zones, fracing, testing, flaring, abandonment, tie-in, construction of field facilities.)
- Follow up with landowners in a timely fashion after any accidents or spills to communicate or discuss compensation as necessary.
- Consider landuse impacts and operate in a sustainable fashion.
- Honour commitments to the community and the community should honour commitments to industry.

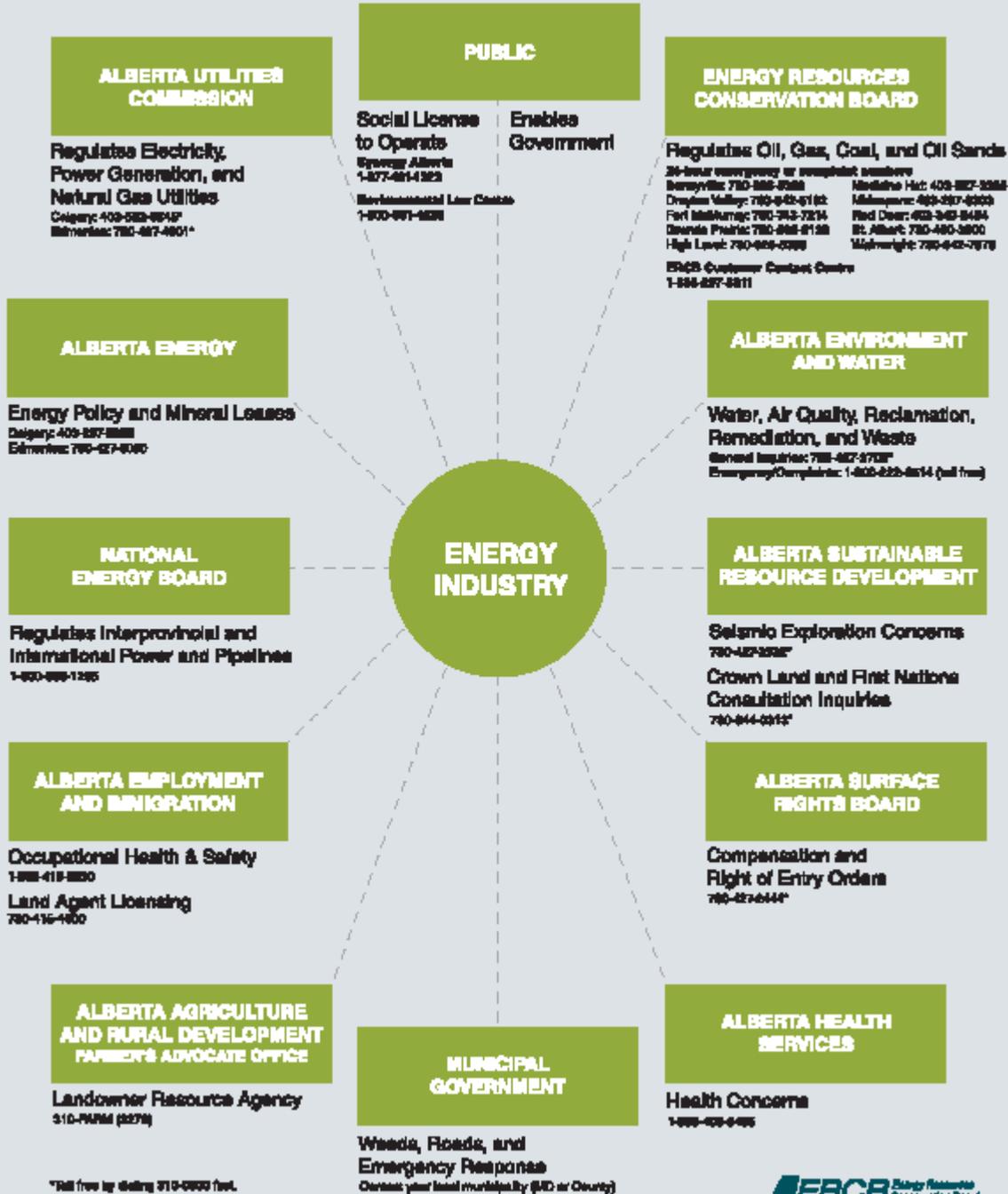
KEY POINTS CHECKLIST

The following points are suggestions regarding information you may want to learn about the development proposed for your land.

- ✓ Ask how the single well, pipeline or facility fits in with the company's current program in the area as well as future development. Understand that the company representative may not know what other companies are planning for your area. This information may be available from local synergy groups, the ERCB and your neighbors.
- ✓ Is the well oil or gas? Sweet or sour?
- ✓ How will the well be tested? If testing will be by flare, what type of flaring and for how long?

- ✓ Will a compressor be installed?
- ✓ What will be the visual, noise and dust impacts of the development?
- ✓ How will drilling and production affect your land/farming operations? Be specific about placement, size and characteristics of your operation.
- ✓ What are the plans to minimize noise levels? What specific noise levels are expected? Ask for a reference noise for comparison so you can understand what a specific level actually means in practical terms.
- ✓ What type and volume of traffic might you expect during the stages of development?
- ✓ Are the drilling, pipeline and access road sites acceptable to you or not?
- ✓ Are there existing pipeline right-of-ways, lease sites or roads that could be shared? If you have a reason to ask a company to share these, it must consider the request and incorporate it where feasible.
- ✓ Is a "minimal disturbance" road and lease acceptable in your situation or would you prefer something else?
- ✓ What is the timing of and conditions for drilling and other operations?
- ✓ Do you need accommodations such as:
 - no activity during muddy conditions for minimal disturbance locations
 - seeding and harvest time
 - personal schedules
 - animals on pasture—are there gates to be kept closed?
- ✓ What are the nearest domestic water wells you use? Decide if they should be tested. If tested recently, ask the company to share results to avoid over-testing your well. You can request that a certain company test your well, provided it works in the area and is licensed for Alberta.
- ✓ What specific techniques will be used to control dust and noise issues if they were to arise after the contract is signed and operations are in progress? Always get this in writing.
- ✓ What is the operator's plan to handle drilling waste?
- ✓ What type of grass seed and herbicides are to be used when maintaining or reclaiming pipeline right-of-ways and lease sites?
- ✓ How does the company mitigate environmental concerns? For example: how does it prevent possible spills from flowing off lease (ie contouring of the lease)?
- ✓ When will reclamation occur and how long will it take?

ENERGY INDUSTRY PARTNERS



* Toll free by dialing 310-9999 toll.