

February 3, 2022
3:00 pm
Via ZOOM (Online)



Attendance:

Alister Wilson, CNRL	Jeff Hartling, Town of RMH	Preston Seier, TC Energy
Darcy Allen, Farmers Advocate	Jeff Lennard, Community	Ron Hallahan, Community
Daryl Papuschak, Community	Jerry Pratt, County	Shannon Jarrell, WCCS
Debbie Baich, Town of Rocky	Jesse Kirillo, Repsol	Spencer Sinclair, Paramount
Don Riddle, Community	John Reid, Community	Thalia Aspeslet, Peridae
Emily Williams, Shell	Jordon Northcott, Clearwater County	Rick Anderson, Facilitator
Enna Graham, Clearwater Landcare	Judy Winter, Community	Dawn Thomas, Note taker
Glenn Miller, Ram Coal	Michelle Meatheringham, Chamber	
James Lutes, Bonavista	Murray Welch, Community	

Introductions:

REVIEW AGENDA:

- Reviewed & approved with addition: Budget

REVIEW MEETING NOTES:

- Reviewed January 6, 2021 meeting notes; Approved

UPDATES/ACTION ITEMS:

- **Rural Industry Crime Reduction Committee**
 - Second meeting held Wednesday, Feb 2
 - Good participation and discussion so far.
 - Discussion has brought about 3 themes:
 - Reporting
 - Sharing information
 - Collaboration
 - Meeting focused on these items.
 - RCMP/Peace officers have been actively participating in the group discussion as well.
 - Would like to see more industry members at the table
 - Potential to connect with forestry, utility companies, etc. as well

- Group interested in hearing if the Scrap Metal Dealers and Recyclers Identification Act has any follow-up / monitoring, enforcement and how effective the regulation has been.
- Next meeting is scheduled March 3, 1:00-2:30 pm
 - Will have a demonstration/presentation on the Lightcatch App with an industry focus

MEMBER UPDATES/IN THE NEIGHBORHOOD:

Members present gave verbal updates. Only written updates submitted are included in the meeting notes. Attendees shared activity updates, and information about local events. Please provide any written updates to Rick via email (rick@rickandersonconsulting.com)

- Link provided in chat by Preston Seier (TC Energy): preston_seier@tcenergy.com
If anyone has any questions for TC Energy please don't hesitate to reach out.
- Link provided in chat by Emily Williams (Shell Canada): emily.williams@shell.com
Please reach out if you have any questions.

WRITTEN UPDATES:

Bonavista

Bonavista has officially closed its Rimbey Office.

A two well pad is to be built at 01-08-042-04W5. Plan is to spud the first well February 28th, 2022. Down hole location 102/06-17-042-04W5. Site is approximately 3.2 KM's NW of Leedale.

AER

Follow-up to a question at WCS about scientific research into industry induced earthquakes and potential affects to groundwater (non-saline potable water).

Below are links to ongoing research in the Fox Creek, AB region. Partners in the research include Alberta Energy Regulator/Alberta Geological Survey, Canadian Geological Survey, Natural Resources Canada, Alberta Environment and Parks, University of Alberta, Universite Laval, Northern Alberta Institute of Technology.

Link to a video presentation from October 2021 with an update on the project :

<https://www.youtube.com/channel/UChIc7ff3vEdII708VhgsLsg/featured>

Link to a November 2021 article in the NRCan's journal (called *Simply Science*) dedicated to the Fox Creek project: <https://www.nrcan.gc.ca/simply-science/experts-groundwater-vegetation-forestry-wetlands-and-landscapes-work-together-for-com/23889>

An executive summary of the research thus far could be a quote from the article, and also mentioned in the video presentation:

"The results to date are encouraging with regard to groundwater and the health of the environment: preliminary two-dimensional hydrogeological modelling and geochemical data suggest that the Paskapoo Formation is well protected from deep industrial activities."

Stay Informed:

The business of making sure that energy development happens safely can be complex. To help bring clarity to these complexities, the Alberta Energy Regulator created Resource, our website for sharing stories and videos on energy development and how its regulated in Alberta.

Resource

For regular updates, please sign up for our [News Release Subscription](#) and [Subscribe to Updates](#) Or visit us on [Twitter](#), [LinkedIn](#), and [AER YouTube](#)

Contact Information:

Phone: 1 855 297-8311

Email: Inquiries@aer.ca

Emergency 24-hour Response Line 1 800 222-6514

Pieridae Energy

Shell License Transfer

Following the sale of the Foothills assets, Shell applied to the AER to transfer all asset licenses to Pieridae, as is customary in an asset transaction. The AER denied that application in May 2020 on the basis that there was no precedent for or legislation in place to enable splitting of liabilities between two licensees. Shell's proposal to split the liabilities was supported by Pieridae and it only applied to the Waterton and Jumping Pound gas plants. Shell subsequently worked with the AER to develop a new application addressing their concerns. This updated application was submitted to the regulator early in 2021.

The AER ruled in May 2021 that a public hearing on the application was required to permit all stakeholders a chance to provide input into the application. In early July, Shell sent a letter to the AER asking for a pause in the process after Pieridae announced it was moving the Goldboro LNG Project in a new direction as cost pressures and time constraints made building the current version of the Project impractical. The AER granted the request to pause the hearing process on July 20th and the process was delayed until September 30th, 2021. In late July, Pieridae then announced the company's strategic review process. To accommodate the time needed for this process, a letter was sent to the AER in early October asking for a further pause to the hearing process to January 31, 2022. That request was granted.

On December 1st, 2021, the AER released new guidance documents as part of its revised Liability Management Framework (Directive 88) that would impact both the license transfer application and the public hearing. As a result, and with Pieridae's recommendation, Shell has chosen to withdraw the application until both companies can further analyze the new regulatory requirements. Future applications related to the transfer of Foothills assets will address these requirements.

Shell and Pieridae will continue to examine options and focus on finding a successful outcome for all parties.

Finally, it is important to note that Pieridae continues to own the Foothills assets and Shell remains the licensee of record.

Pieridae's Credit Agreement Restructure and the Strategic Review Process Decision

In early July of 2021, it was announced that Pieridae was not able to meet all of the key conditions necessary to make a final investment decision on the Goldboro LNG Project. Pieridae continued to assess options and analyze strategic alternatives that could make an LNG project more compatible with the current environment while working to optimize operations and development of the assets. The goal of this process was to consider and evaluate a range of strategic alternatives to enhance shareholder value. These strategic alternatives could have included a corporate sale, a merger, a sale of a portion of Pieridae's assets and/or other transactions.

Alongside the strategic review process, Pieridae was in negotiations with its senior lender, Third Eye Capital Corporation, to extend the payment of the \$50 million term loan deferred fee (which was due January 4, 2022) and to amend other terms of the Credit Agreement that was originally signed when Pieridae purchased the Foothills assets. Under the updated terms, it states that the \$50 million deferred fee is now incorporated as part of the overall loan, in which the full balance is now due on October 16, 2023. However it is important to note that the deferred fee will not accrue interest while outstanding. Furthermore, the waiver of the requirement to hedge 60% of production on an 18 month basis was also being negotiated through the end of February 2022. This waiver will allow Pieridae to continue to take advantage of the strong winter commodity prices.

Near the end of January 2022, the board has now made the decision to conclude the strategic review process. In a nutshell, the bids that were received, were not sufficient enough to meet the needs of Pieridae's major lender and to enhance shareholder value, or were not compelling enough when compared against existing opportunities. The restructuring of Pieridae's credit agreement, announced early January 2022, also played a role in the committee's decision.

What does this mean going forward?

Our senior leaders have started discussions focusing on the strategy appropriate for the long term health of Pieridae and will continue to operate. Pieridae will move forward to identify and act on opportunities to run the assets more efficiently, while maintaining our commitment to safety, the environment and our community. Pieridae has made it a priority to also work on looking for options to lower the debt management costs to invest in the company for growth and prosperity.

PRESENTATION:

Western Canada Spill Services – Shannon Jarrell

- Shannon provided an overview of the spill services co-op
- They are celebrating their 50year anniversary
- Board of Directors, committees and subcommittees, 70-100 volunteers
- Not a mutual aid group (don't provide manpower)
- Provide members with access to specialized equipment and training for spill clean-up
- Provide support for planning and response
- Mostly focused on spills in water, but looking at land-based spill clean-up as well

- Covers Alberta, part of northeast BC and a bit of west central Saskatchewan
- More information is on their website www.wcss.sb.ca

DISCUSSION ITEMS:

- **WCS 20 Year Anniversary Committee update**
 - Four streams of activity:
 - Getting the word out
 - Who we are
 - How we operate
 - Ways to speak to our track record
 - Highlighting things that the group has accomplished
 - Interaction
 - Story telling
 - “Forward Looking” component
 - What we see on the horizon
 - Talking about putting articles/information in the Mountaineer, Facebook, newsletter, website
 - Recommending a refresh/redesign of website as part of this. Site is quite outdated with limitations for content
 - Developing some of the stories, articles, etc.
 - Really will be leaning on the bigger group to help gather stories, etc.
 - May be reaching out to the community to gather stories as well
 - Looking for photographs as well, so asking members to look back and share anything that they might have
 - Some of this information could blur into a Public Information session. Loose target for the Spring; possible outdoor/barbecue type event, suggested theme “Looking Forward”
 - Contact the committee if you have ideas:
 - Judy Winter jdwntr1@gmail.com
 - Thalia Aspeslet thalia.apeslet@pieridaenergy.com
 - Murray Welch mdwelch@harewaves.net
 - Jeff Lennard jefflennard56@gmail.com
 - Or you can contact Rick
- **2022 Budget**
 - Rick shared screen and went over 2020 and 2021 budgets (for information), and projections for 2022. Will look to discuss and confirm at March meeting

Next Meeting(s): March 3, 2022 (via ZOOM) 3:00-5:00 pm