

June 15, 2005

TO: The Alberta Energy & Utilities Board
640-5 Avenue SW Calgary, Alberta T2P 3G4
Attention: Stephan Smith

The Honourable David Coutts,
Minister of Sustainable Resources & MLA for Livingstone/McLeod
#420 Legislature Building, 10800 - 97 Avenue, Edmonton, Alberta T5K 2B6

The Honourable Guy Boutilier
Minister of Environment
#423 Legislature Building, 10800 - 97 Avenue, Edmonton, Alberta T5K 2B6

Dr. David Swann, Liberal Environment Critic
#201 Legislature Annex, 9718 107 Street, Edmonton, Alberta T5K 1E4

David Eggen, New Democrat Environment Critic
10212 127th Avenue, Edmonton, Alberta T5E 0B8

FROM: **THE LIVINGSTONE LANDOWNERS GROUP**
Box 131, Cowley, Alberta T0K 0P0

RE: **OPPOSITION TO NON-CONVENTIONAL GAS DEVELOPMENT IN
THE LIVINGSTONE/PORCUPINE HILLS:**

**COMPTON PETROLEUM PROPOSED EXPLORATORY WELLS -
NE28-09-01-W5; SE20-10-01-W5; SE32-10-01-W5; SE16-11-01-W5;
SE31-11-01-W5; SE35-12-01-W5**

The Livingstone Landowners Group:

- a) Absolutely opposes this unconventional, high-density development in the Porcupine Hills; and,
- b) At the very least, we respectfully, but very strongly, requests that this proposed development - including the 24 exploratory wells - be subject to a properly-resourced, thorough and independent environmental assessment of the entire potential development based on full disclosure by Compton and a review of similar development elsewhere.

The Livingstone Landowners Group, after working in good faith with Petro-Canada, Win Energy and Compton Petroleum, has very recently learned - from a third party industry analyst - that Compton Petroleum's proposed Callum development on the west side of the Porcupine Hills is what industry calls "an unconventional play", and what that could mean.

One of the characteristics of unconventional gas development is **extremely high well densities**. Compton currently proposes 24 exploratory wells drilled from six pads. If these are considered successful, the company has very recently advised that densities for this type of development may require one well per ten acres.¹

This is consistent with similar developments in the United States, such as the Green River Basin, where companies such as Ultra Petroleum have proceeded from densities of one well per 40 acres, to one well per 20 acres, and are now considering one well every 5 acres to maximize production.²

These extreme densities would be allowed if the EUB's Bulletin 2005-09 were to become policy, with the stroke of a pen, in this area. Such densities could result in 128 wells per section having almost certain adverse effects on watersheds, the ranching economy and millions of dollars worth of property values.

Even much lower densities, of one well per quarter section, would do irreparable harm to this landscape and the Albertans who depend on it.

Compton has also acknowledged that, depending on test well results, this could be a **coalbed methane development**. Compton's website states that it has "a key position in five separate resource plays, including Coalbed Methane in the...Belly River", the "multiple thrustbed Belly River at Callum".

The Senior Vice President of Technology Services for Precision Drilling, John King, describes coalbed methane projects as "carpet bombing":

"A coalbed methane project is like carpet bombing. You are perforating the countryside. It is about volume."³

In response to concerns raised, Compton officials suggest that "concern is premature", that "we have a case of mistrust", and that the nature of the folded rock formation "may lead to a higher-than-average number of wells but [Compton] won't have any details on how many sites will be needed until they finish analyzing the test wells".⁴

We do not agree that concern is premature, we do not agree that this is just a case of mistrust, and we do not agree that we should wait until Compton has invested in the drilling of 24 exploratory wells.

¹ Murray Stodalka, Vice President of Operations, Compton Petroleum, Meeting at MD of Ranchlands, June 10/05.

² <http://www.ultrapetroleum.com>

³ Alberta Venture, June 2005, p. 75.

⁴ *Compton Petroleum: Ranchers up in arms over drilling proposal: Fearful of potential environmental effects.* Calgary Herald, Monday, June 13, 2005

If we know:

- That Compton's proposed Callum development is unconventional;
- That the rock formation is folded and the pools of gas are disjunct;
- That this development will require high well densities and surface disturbance, including the associated roads, well sites, pipelines, weeds, loss of native vegetation, risk to precious groundwater, noise, significant declines in property values⁵, all other cumulative effects, and the industrialization of our landscape; and,
- That this could result in coalbed methane development;

Then, we know:

- That community concern is not misplaced;
- That, by its very nature, this proposed development is not an issue of "mistrust" but rather that it is *inherently* in conflict with our environment, our land, our water, our livelihoods, and our way of life; and,
- **That this proposed development, including the 24 exploratory wells, requires at minimum a properly resourced thorough and independent environmental assessment of the entire potential development, based on full disclosure by Compton and a review of similar development elsewhere.**

The EUB, generally prefers to deal with one well application at a time; however, in this case, the whole must be taken into account from the outset. While IL93-9 suggests a stage-by-stage review, we know enough to ensure that any assessment focus on the IL93-9 requirements which contemplate:

- The ultimate scope of development;
- The relative sensitivity of the proposed development area; and,
- The level of existing development.

The Livingstone/Porcupine Hills, where the drilling is proposed, is sensitive, exceptional and has been subject to very little industrial development. The Livingstone area generally is stunningly beautiful, open and diverse; the Porcupine Hills are just simply unique.

Rising to almost 1600 metres, or more than 5000 feet, these Porcupine Hills are a Chinook-dominated, rich mosaic of deep and majestic montane forest of Douglas Fir, spruce and pine; fragile subalpine; aspen forests; some of the last stands of intact native grasslands; springs; unstudied cultural and archaeological sites; and a critical and diverse refugium for wildlife - including elk, moose, deer, cougar, grizzly and black bears, many species of hawks, owls and eagles - and for us, those who live here, and others, who know and love these hills.

⁵ An appraisal by Colorado's La Plata County found that property values declined from 22 to 50 percent as a result of unconventional natural gas development. Conventional gas development has been found, by Peter Boxall of the University of Alberta, to cause declines in property values of 5 to 10 percent.

When people call this God's Country, we mean it. We understand perfectly when John Wort Hannam sings that he “belongs to the Church of the Long Grass, the Parish of the Porcupine Hills”.

Let us remind you that the Public Interest is not legitimately defined as maximum development of the energy sector, stunning profits to corporation, and royalties to the Government of Alberta, with a much-ballyhooed trickle-down "Alberta Advantage" effect for the rest of us - while landowners and residents bear the extreme costs of this kind of development.

The aggregate wealth of Alberta includes the wellbeing of landowners. Our land is our livelihood, our investment portfolio, and our pension fund; and not just ours, but the generations who come after us.

But now Compton has accumulated 110 sections of our lands in southwestern Alberta. And their success depends upon "repeatability" or high density drilling:

Compton is targeting thrust, stacked multiple Belly River tight sandstones at Callum. The Company has a 60% working interest in 110 sections of land on trend. Based upon limited initial drilling results, we estimate potential gas in place to be 80 bcf per section, with ultimate recoveries depending upon well density.

If Compton Petroleum is allowed to exercise their "right" to engage in this type of extreme development, what about Our Rights?

Jillian Lynn Lawson
For
The Livingstone Landowners Group
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