

September 12, 2015

Gas Venting Incident



*RESIDENTIAL AND OIL AND GAS DEVELOPMENT CAN CO-EXIST*

## Donna Bullock

---

**From:** Mark Dorin <mdorin@coscoesp.com>  
**Sent:** September 14, 2015 11:42 AM  
**To:** 'Maria Skog'  
**Subject:** RE: Current Armisie Battery Unsafe Conditions and Offsite Odours

With respect, I think you misunderstand. This matter must be dealt with immediately.

Mark

---

**From:** Maria Skog [mailto:Maria.Skog@aer.ca]  
**Sent:** September 14, 2015 11:29 AM  
**To:** Mark Dorin  
**Cc:** Darcy Allen  
**Subject:** Re: Current Armisie Battery Unsafe Conditions and Offsite Odours

Mr. Dorin,

Thank you for your email.

I am currently out of the office on course but will have your email reviewed as soon as possible.

Thank you for your patience.

Kind regards,  
Maria Skog

---

**From:** Mark Dorin  
**Sent:** Monday, September 14, 2015 11:03 AM  
**To:** Maria Skog; Darcy Allen  
**Cc:** Dale Braun; Saraswati P. Singh  
**Subject:** FW: Current Armisie Battery Unsafe Conditions and Offsite Odours

Dear AER Stakeholder Advisory Group:

Below is an email sent to Ms. Rondine Cabot, inspector in the St. Albert Field office. In respect to such communication please be advised as follows:

1. I sent said email at 9:31 AM this morning, with "read receipts".
2. I have received no read receipt.

I request some advice as follows:

1. Would you be so kind as to advise me why the Alberta Energy Regulator can shut in Nexen's pipelines and take actions elsewhere in the province, but cannot see, or act on, the clear safety violations in Armisic Field, in Edmonton, next to a busy freeway?
2. Will one of you contact someone in the AER that will take action?

Every hour or two that passes today, during which I do not hear from the AER, I shall send this to more AER employees, higher up the chain of command. Perhaps this is what it takes to ensure safety? The events at the subject site over the weekend were appallingly illegal and unsafe.

Please look into, and look after, these matters responsibly and properly.

Mark Dorin

---

**From:** Mark Dorin [<mailto:mdorin@coscoesp.com>]

**Sent:** September 14, 2015 9:31 AM

**To:** Rondine Cabot ([Rondine.Cabot@ aer.ca](mailto:Rondine.Cabot@ aer.ca))

**Cc:** Dale Braun ([bigway1@telus.net](mailto:bigway1@telus.net)); S. P. Singh ([spsingh@shaw.ca](mailto:spsingh@shaw.ca)); Charles Yang ([cyang@guangxinggroup.com](mailto:cyang@guangxinggroup.com)); Blake Williams

**Subject:** RE: Current Armisic Battery Unsafe Conditions and Offsite Odours

Correction: Said odours on Saturday September 12 were **Northeast** of the battery (rather than Northwest as per my e-mail). My apologies.

---

**From:** Mark Dorin [<mailto:mdorin@coscoesp.com>]

**Sent:** September 14, 2015 9:24 AM

**To:** Rondine Cabot ([Rondine.Cabot@ aer.ca](mailto:Rondine.Cabot@ aer.ca))

**Cc:** Dale Braun ([bigway1@telus.net](mailto:bigway1@telus.net)); S. P. Singh ([spsingh@shaw.ca](mailto:spsingh@shaw.ca)); Charles Yang ([cyang@guangxinggroup.com](mailto:cyang@guangxinggroup.com)); Blake Williams

**Subject:** Current Armisic Battery Unsafe Conditions and Offsite Odours

Dear Ms. Cabot:

- A. **Please immediately confirm that you have formally directed Penn West Petroleum Ltd. to fulfil its regulatory enforcement obligations, required by Section 8.090(10) of the OGCR, without delay and in full, as to the Armisic Battery, Licence F-20254.**
- B. **Please also confirm that you have directed Penn West to have a safety officer contact me immediately, to address and deal with the following forthwith, in full, and to subsequently file a report with the AER accordingly.**
- C. **Please copy me with the above written directions and additionally ensure a copy of your directions, and a copy of said requested safety report, are placed in each licence application file associated with any and all Armisic Field well and pipeline licences related to the Armisic Battery.**

I shall prepare a formal letter as to full reasons for the above requests at my first opportunity. In the meantime please be advised as follows:

1. On Thursday, September 10, 2015 I visited the land near the Armisic battery with Dale Braun and Dr. S.P. Singh (landowners and my clients, copied with this email). We noticed the following unsafe and regulatory circumstances:

- a) The farmer has cut his crop less than 25 metres from oil storage tanks, a flare stack and the incinerator stack in contravention of Section 8.090(9) of the *Oil and Gas Conservation Rules*, AR 151/1971 (the "*OGCR*").
  - b) The farmer shall soon harvest his crop, whereby he shall again contravene the provisions of said 8.090(9) of the *OGCR* and illegally and unknowingly risk his life, by driving a vehicle too close to oil storage tanks and flares, where ignitable vapours can exist, because Penn West is failing as to its regulatory enforcement obligations.
  - c) There were minor off site hydrogen sulphide odours outside the battery fence. (This is normal. For example, shortly after June 13, 2014, Mr. Braun and I inspected a pipeline break adjacent to the Penn West informed him of, and you and I spoke about. We took a photo of the thief hatch left open on an oil storage tank).
2. On Saturday, September 12, 2015 I visited the land with Mr. Charles (Xinquang) Yang (copied with this email). There was a crew working on the Telus cell phone tower, employed by a contractor called "Phoenix". I spoke with Mr. Eric Harvey of Phoenix (519 635-1405). In addition to the above noted safety issues, the aforementioned persons and I noted the following:
- a) There was a wind from the south west
  - b) There were *SIGNIFICANT* off site odors to the northeast of the Armisie Battery.
  - c) There was a tank truck in the centre of the Armisie battery, presumably loading or unloading one or more of the southernmost tanks (not the crude oil shipping tanks that are the most northerly tanks).
  - d) At a point I have measured to be some 175 metres northwest of the truck/tank location, more or less at the curve in the road leading to the well site at 7-4-52-25 W4M, there were significant offsite odours. Said odours would have existed much further northwest.
  - e) The service truck that the Phoenix crew was driving passed within 25 metres east of "process vessels" within the Armisie site, because the access road to the Telus Tower contravenes the provisions of said Section 8.090(9) of the *OGCR*.

Mr. Eric Harvey of Phoenix undertook to inform the safety officials in his company of the foregoing Item 2 issues, and of the proximity of the cell phone tower to the incinerator stack. He advised me he performs an HSE function of some sort in his job capacity (perhaps on the crew I am not sure).

I intend to ensure that the farmer breaks no more laws and risks his life no more to earn his living at Armisie. The same goes for cell phone crews and the general public. **I reasonably expect your written and immediate concurrence with the foregoing, and for you to confirm that you have taken over, in full, responsibility for assurance of the foregoing.** The impact of these matters on the ability of the landowners to develop the lands for residential use are issues I shall address by future correspondence.

It is long past time for the following to occur:

1. Penn West's operational and/or security personnel must enforce the provisions of all subsections of said 8.090 of the *OGCR*, pursuant to subsection 10, at and surrounding the Armisie Battery (Licence No. F-20254). Penn West should do so rather than misdirecting attention and accusing me of potential unsafe actions through its lawyers. This includes ensuring the farmer and cell phone personnel, their vehicles, and any "fires" they carry as defined in Section 8.090(1)(a) of the *OGCR*, maintain the regulated minimum separation distances from ALL sources of ignitable vapours within the Armisie battery site. (Obviously the Armisie Battery site, partially on Crown lands, is insufficient in surface area, and regulatory noncompliant in numerous regards, and the AER should have taken action by now pursuant to its *Public Lands Act* and regulatory enforcement responsibilities).

2. The Armisic battery must either be shut down immediately, or Penn West must put security personnel there 24/7 and/or fence the areas prescribed by Sections 8.090(2) and 8.090(9) of the *OGCR*. Of course fencing requires a legal surface right of entry.
3. For the Alberta Energy Regulator to be as least as concerned as I am about the legality and safety of harvest and cell phone tower operations, and off site H<sub>2</sub>S odours, on Crown land adjacent to the Armisic battery.
4. For Penn West to perform regulated participant involvement requirements properly (not by way of having its lawyers deceive landowners and the Regulator and deny stakeholder entitlements).
5. For Penn West safety personnel to get involved and take the necessary and proper actions, particularly those required by law
6. For you or other AER personnel to meet me at the site, so I can point out the numerous violations and safety hazards, rather than repeatedly writing about them, and waiting indefinitely for actions to be taken.

I have informed the landowners of the inherent risks outside the battery fence, and of the provisions of applicable law they might unknowingly contravene, because Penn West has failed to do so.

On Saturday, Mr. Yang and I waited at the battery gate to speak to a Penn West operator that was within the battery site. He did not come out, until we went to the east. At that point he left the battery site. The tank truck remained. We followed the operator down the "lease road" and north along 184 Street but he did not stop. I can only surmise this is because I have been advised by Penn West that their employees have been forbidden to speak with me.

Regards and thank you in advance.

***DORIN LAND AND OILFIELD MANAGEMENT INC.***

Mark Dorin  
President

---

This email and any files transmitted with it are confidential and intended solely for the use of the individual or entity to whom they are addressed. If you have received this email in error please notify the system manager.

This message contains confidential information and is intended only for the individual named. If you are not the named addressee you should not disseminate, distribute or copy this e-mail.

September 17, 2015

Gas Venting Incident



*RESIDENTIAL AND OIL AND GAS DEVELOPMENT CAN CO-EXIST*

## Donna Bullock

---

**From:** Rondine Cabot <Rondine.Cabot@aer.ca>  
**Sent:** September 18, 2015 2:23 PM  
**To:** Mark Dorin  
**Subject:** RE: Armisic Gas Incineration and Lack Thereof

Mr. Dorin,

I am not indicating that odours were not present but the Directive 060 requirement says that the odours may not be present off lease. We have required that Penn West provide confirmation of their surveyed lease boundary which will enable us to make a determination on compliance. Given the nature of your concerns outlined to date, this also ties in to our meeting next week when we discuss some of your concerns regarding surface rights, should you wish to proceed with the meeting.

Regarding the inspection report, the process for receiving any reports or data from the AER follows the same process. Please contact the Inquiries line at 1-855-297-8311. The report will not be available until the inspection is complete.

**Rondine Cabot**  
Regional Coordinator, Environment and Operational Performance Branch

**Alberta Energy Regulator**  
e [Rondine.Cabot@aer.ca](mailto:Rondine.Cabot@aer.ca) tel 780-460-3821 cel 780-554-0119  
30 Sir Winston Churchill Ave, St. Albert, Alberta T8N 3A3

[inquiries](#) 1-855-297-8311 [24-hour emergency](#) 1-800-222-6514 [www.aer.ca](http://www.aer.ca)

---

**From:** Mark Dorin [<mailto:mdorin@coscoesp.com>]  
**Sent:** Friday, September 18, 2015 2:02 PM  
**To:** Rondine Cabot; Saraswati P. Singh; Dale Braun; Danny Lucas; Edith (Dean) Christy; Elizabeth Storochuk; Guy Lewis; haystu55@gmail.com; Michel Donoff  
**Subject:** RE: Armisic Gas Incineration and Lack Thereof

Dear Ms. Cabot:

AER Inspector Shelley Leemann (phonetic) was with me on site, and concurred that there were significant odours. This was not a question as to IF odours were present. She agreed as to the FACT that they were present. Am I to understand the Penn West security man somehow changed her mind?

I will thank the AER to have the on-site inspector make a fulsome written report. I left her a message to the effect that the decision was not transparent and I was given no opportunity to have input or object to it.

As to our potential meeting, I think, absent working out an agenda, it would be a waste of our valuable time, as was reporting factual hydrogen sulphide venting this past week. I'll give that some thought and respond in due course.

Mark

---

**From:** Rondine Cabot [<mailto:Rondine.Cabot@aer.ca>]  
**Sent:** September 18, 2015 11:15 AM  
**To:** Mark Dorin  
**Subject:** RE: Armisic Gas Incineration and Lack Thereof

Mr. Dorin,

Thank you for your call last evening. I appreciate you advising us and Penn West of odours while they are still occurring.

I have been in communication with the on call inspector regarding the response to your odour complaint last evening and Penn West's response.

Regarding your requests, I respectfully submit the following:

1. We have not requested that the battery be shut in. Any off lease odours that may have been present had dissipated by the time the Penn West operator arrived on site. No H2S was detected on personal monitors which read in the parts per million at any time during the inspection. Penn West is currently taking action to determine potential sources of H2S emissions and will make any repairs or changes as required.
2. As above, the facility has not been shut in. I look forward to meeting with you on the 25<sup>th</sup> to better understand the intricacies of your concerns.
3. Requests for information may be directed to our inquiries line at 1-855-297-8311 who can put you in touch with the appropriate group to respond to your request.
4. The AER follows our MOU with Occupational Health and Safety and our AER Safety Policy to determine when we are required to contact OHS. If we encounter a situation that meets the requirements outlined in our policy we will make any and all appropriate contacts.
5. Correspondence related to a complaint is filed with the complaint and linked to the associated licence or authorization.
6. We will determine our future course of action after further investigation including, but not limited to, meeting with you, Penn West's land department and consultation with our Law Branch.

I am hopeful that we will be able to make better headway on this file when we meet to discuss it.

**Rondine Cabot**

Regional Coordinator, Environment and Operational Performance Branch

**Alberta Energy Regulator**

e [Rondine.Cabot@aer.ca](mailto:Rondine.Cabot@aer.ca) tel 780-460-3821 cel 780-554-0119

30 Sir Winston Churchill Ave, St. Albert, Alberta T8N 3A3

inquiries 1-855-297-8311 24-hour emergency 1-800-222-6514 [www.aer.ca](http://www.aer.ca)

---

**From:** Mark Dorin [<mailto:mdorin@coscoesp.com>]

**Sent:** Friday, September 18, 2015 10:52 AM

**To:** Rondine Cabot; Maria Skog

**Cc:** Saraswati P. Singh; Blake Williams; Dale Braun; Danny Lucas; Edith (Dean) Christy; Elizabeth Storochuk; Guy Lewis; [haystu55@gmail.com](mailto:haystu55@gmail.com); Michel Donoff

**Subject:** Armisie Gas Incineration and Lack Thereof

Dear Ms. Cabot:

I believe your colleague shall confirm the presence of hydrogen sulphide last night in and around the surface area described below:

1. The northeast portion of LSD 6, and the northwest portion of LSD 7, within Section 4-52-25 W4M surrounding the fence containing the Armisie tank battery and compressor site, with Licence No. F-20254.
2. That area through which a person, who identified himself as a prospective hunter, drove through.



3. That area through which four deer passed.
4. That area to which Penn West security personnel demanded that I not enter on or into.

I believe your colleague will confirm it took an unreasonable period of time for the battery licensee to respond: To send personnel qualified to stop the emission of sour gas to atmosphere.

We have repeatedly attempted to clarify and resolve Armisic Field matters, particularly including Item 4 above, through due process of law. In such regards:

- I contacted the manager of the Anthony Henday Drive Transportation Utility Corridor (TUC), seeking a right of way. For clarity, the main road leading east from 187 Street to the Armisic battery is on Crown or TUC lands. Said manager took the position, which I believe to be reasonable if not correct, that the AER has the mandate to deal with right of entry issues within TUC lands. My submissions that the AER has *Public Lands Act* responsibilities in this instance are on record.
- I have repeatedly submitted, that for the AER to conduct any inspection or inquiry, which might be limited solely to off-site odours, is to act without jurisdiction and in a myopic fashion.

Last night the battery licensee confirmed what I was unaware of, but should have been aware of, at the following times:

- on Saturday September 12, 2015, when I witnessed gas venting more severe than was occurring last night;
- on Monday September 14, when I made complaints; and,
- yesterday when I reported the activities of Saturday September 12, 2015 to Occupational Health and Safety.

Confirmed is that Armisic Field sour solution gases are being incinerated, rather than being shipped by way of the sales gas pipeline Licence No. 35962.

Moreover, a licensee representative took the position by telephone with me that the AER had issued an approval for incineration.

## SUBMISSIONS

The following submissions are made with the greatest of respect.

1. The applicant requested, and I submit was granted, a facility licence or other approval for a battery with gas compression and an EMERGENCY incinerator stack circa 2000. This is because solution gas was flared previously.
2. A former crude oil line was converted to sale gas (Licence No. 35962-02) at the same time.
3. The above (emergency incineration only) were reiterated by the applicant, at the time circa 2003 -2004, when a well licence was sought for the most recently drilled Armisic Field well (Licence NO. 335815).
4. Pursuant to a public hearing process in 2015, as recorded in Appendix 2 to EUB Decision No. 2005-085, the licensee undertook to meet regularly with area residents and landowners. The licensee requested a well licence so Armisic Field reserves could be drained faster, so an exit from the lands by circa 2015 would be more likely, and to clear the way for impending residential land development.
  - a) This licensee's obligations to communicate with stakeholders is higher than usual for these reasons, and because of the urban location.
  - b) It is now 2015, and time to address if the Armisic battery is reasonably necessary.

5. I submit that I and the other landowners, occupants, and area residents should have been fully aware of any intention of the licensee to incinerate gas, pursuant to the provisions of *Directive 060* and Participant Involvement requirements in general.
6. I further submit all stakeholders should have been provided with an opportunity to know the issues and to object to incineration, and that the licensee should have made the issues known and dealt with any objections, prior to any application for approval for incineration.
7. Stakeholders were entitled to raise the possibility that tank vapour recovery processes may not be effective or sufficient without gas compression.
8. I submit that the licensee has repeatedly been requested, and has repeatedly refused, including last night, to voluntarily shut in the Armisic battery and inlet operations, and to voluntarily keep such operations shut in until numerous issues in dispute have been reasonably resolved.
9. The AER could have avoided the minor “security” issues that arose last night, and can avoid same in future, for example:
  - a) By reviewing certificates of title and surface lease agreements.
  - b) By determining what the legal boundaries are of any legal right of entry the licensee may possess.
  - c) By choosing to employ more transparent, and better communicated, procedures and processes.
10. Penn West could reduce and/or avoid any dispute as to trespass by way of any of the following actions:
  - a) Fencing the areas that Penn West claims are leased.
  - b) Providing legal plans of survey and associated agreements to the landowners and occupants. The facts are that Penn West was requested to do so, and was unable to do so.
  - c) Making application to the Surface Rights Board for right of entry orders, to absolutely ensure there is no trespass.
11. It would appear the AER and licensee have overlooked the facts that certificates of title guarantee land rights, including rights of entry. **The burden of proof as to right of entry falls to the “operator” as defined in the *Surface Rights Act*.**
  - a) Drilling a well and/or constructing and operating a pipeline, or erecting a sign, are not actions whereby a legal surface right of entry is obtained. Similarly they provide no right to erect a no trespassing sign.
  - b) AER inspectors are assuming Penn West have a right of entry. We respectfully submit the AER should refrain from doing so in future
12. **IF** the goal of the Province of Alberta is to achieve responsible energy development, a first-but-critically-important step towards such a goal must be taken by the AER related to oil tank batteries in general.
13. **All licensees and operators have enforcement obligations related to tank and flaring operations pursuant to Section 8.090(10) of the *Oil and Gas Conservation Rules, AR 151/1971*.** We submit the following:
  - a) The Armisic tank battery licensee has failed to carry out its enforcement obligations.
  - b) Accordingly, the burden of proof as to if the Armisic battery is necessary, legal, and safe, falls to the licensee.

14. It is reasonable in the circumstances for the AER to make an expeditious decision that Armisie Field operations be suspended.
15. **The tank battery issues at Armisie are not isolated.**

## REQUESTS

We respectfully make the requests below, which we submit are reasonable expectations given the statutory scheme, importance of these matters to stakeholders, and given that there are established AER procedures.

1. The AER is respectfully requested to direct or otherwise order, including by way of considering suspension of Licence No. F-20254 and all inlet and outlet associated well and pipeline licences, that Armisie Field operations be temporarily shut in.
2. The AER is respectfully requested to ensure said operations remain shut in until the following have occurred at minimum:
  - a) Stakeholders have been provided an opportunity to know and speak to the issues.
  - b) The facts have been agreed to or determined.
  - c) The matters are resolved by agreement between the licensee and stakeholders, or the AER has rendered written decisions pursuant to a hearing process, conducted in co-operation with other boards, government agencies, etc. if necessary. (Section 18(a) of REDA.)
3. Please provide a copy of any approval for incineration of Armisie Field solution gas.
4. The AER is requested to contact Occupational Health and Safety with any findings as to the site inspection last night.
5. We request that our correspondence and all findings of the AER be recorded in the Armisie Battery facility licence application file AT MINIMUM. (Preferable in all Armisie Field well and pipeline licence files as well.)
6. We request that the AER conduct a joint inquiry or hearing with the Surface Rights Board, and possibly Occupational Health and Safety, as to this and several other problematic Alberta tank battery sites.

If there is an advantage to sour gas, it is that any presence of “off-site” hazardous, explosive, or ignitable vapours is more readily noticed or proven than if gas is sweet.

There are unresolved issues related to several tank battery sites on land we manage, have options to purchase, or otherwise occupy. Sweet gas was vented, and in some cases may still be being vented. Plumes of ignitable vapours travelled off site, in some cases for long distances, dependent on gas volume, wind direction and speed. This presents a unique opportunity for particularly expert, low cost, expedient, solutions to long-standing safety and surface rights problems.

## POSITIONS OF THE LANDOWNERS

The owners and occupants do not seek to deny the rights of mineral holders. However, they seek to have their rights observed. Penn West may produce Armisie wells on the subject lands provided the wells and any related pipelines are properly licenced, Penn West operates in a licenced and regulatory compliant fashion, and the operator has obtained a LEGAL right of entry. There are reasonable doubts as to all of the foregoing at Armisie Field. Penn West has allegedly failed to properly assess and mitigate operational risks. Any related authority must resolve any issues the parties cannot resolve between themselves.

As always, we stand ready to contribute to more responsible energy development, and suggest the foregoing requests convey meaningful ways of doing so.

Yours sincerely,

Mark Dorin

---

This email and any files transmitted with it are confidential and intended solely for the use of the individual or entity to whom they are addressed. If you have received this email in error please notify the system manager.

This message contains confidential information and is intended only for the individual named. If you are not the named addressee you should not disseminate, distribute or copy this e-mail.

---

This email and any files transmitted with it are confidential and intended solely for the use of the individual or entity to whom they are addressed. If you have received this email in error please notify the system manager.

This message contains confidential information and is intended only for the individual named. If you are not the named addressee you should not disseminate, distribute or copy this e-mail.