

**ACTION PLAN FOR AER DECISION 2013-009**

**SHELL CANADA LIMITED**

**APPLICATIONS FOR PIPELINE AND FACILITY LICENCES  
APPLICATIONS FOR PIPELINE AND FACILITY LICENCES WATERTON FIELD,**

ACTION ITEM	REQUIRED ACTION/COMMENTS	DECISION: 2013-009	AER PROCESS TO ENSURE FOLLOW-UP	STATUS & EVIDENCE
		Section:		Pending -
		P.		
1 Internal Inspections	The Board believes it is imperative for Shell to continue to improve its understanding of corrosion in both lined and bare pipelines. The Board requires Shell to continue to conduct internal inspection of the Carbondale pipeline system once every six months using the Russell tool. In the event that Shell can demonstrate that corrosion remains under control it may, following consultation with WAG, apply to the ERCB to reduce the inspection frequency.	Section: Paragraph 41 P. 9	Inspection results will be provided by Shell to the ERCB every 6 month.	<p>Completed - Extended inspection intervals proposal was submitted to the AER on December 24, 2013 and approved on January 21, 2014. Shell will provide annual updates to the AER. First annual update was provided on November 6, 2014. Second annual update was provided on December 14, 2015. Third annual update was provided to the AER on December 5, 2016. Fourth annual update was provided to the AER on November 29, 2017.</p> <p>The AER has allowed Shell to continue its integrity management program without formal annual inspection result updates to the AER. Shell is requested to advise the AER field centre if operating conditions destabilize and corrosion monitoring indicated increased activity. This approval condition is deemed complete.</p>
2 Revised Emergency Response Plan	The Board directs Shell to submit a revised ERP before the start-up of the pipelines and facility.	Section: Paragraph 56 P. 12	Shell will provide its revised ERP to the ERCB 2 months prior to start-up of the pipeline and facility.	<p>Completed - A revised ERP was approved by the AER on September 4, 2013. Updates to the ERP were submitted by Shell on December 3, 2013 and May 26, 2014.</p>

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3 Conduct ERP Exercise	<p>The Board requires Shell to conduct a blind major exercise in accordance with Directive 071, section 14.10 - Exercise Requirements, before the pipelines become operational. This exercise must involve a pipeline release scenario and must test the use of shelter-in-place as a means of protecting residents in the area. Area residents should be contacted and asked to shelter so that Shell can test their knowledge of how to shelter-in-place. The exercise should be designed and developed by an independent consultant in consultation with a limited number of senior Shell personnel who would not have a role in responding, as well as with ERCB staff. Shell's operations staff, mutual aid partners, and other responders that Shell would rely on to respond to an actual incident should not have any prior knowledge of the specific timing or scenario of the exercise to help ensure that it is as much of a realistic simulation as possible.</p> <p>Shell can provide general advance notice to these parties of its intent to conduct a major exercise within a general time frame so that it can obtain a commitment from the parties regarding their intended level of participation in the exercise. In accordance with Directive 071, section 14.10 - Exercise Requirements, Shell is expected to invite the MD of Pincher Creek, Alberta Health Services, and any other government departments or agencies that would have a role in an actual emergency and strongly encourage their participation in this exercise.</p>	Section: Paragraph 57 P. 12	Exercise report will be provided by Shell to the ERCB within 2 months of the exercise.	Completed - Exercise was completed on April 16, 2014 and final report submitted to the AER on May 27, 2014.

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4 RWDI Recommendations	The Board directs Shell to implement the nine recommendations outlined in the RWDI report before producing the WT68 well with the following exception. During the hearing, the Board heard that Shell plans to phase-in the fence line monitors identified in recommendation number three in order to allow Shell to properly assess the chosen technology. The Board agrees that this is reasonable and accepts Shell's plan to phase-in the fence-line monitors. However, The Board directs Shell to install the first perimeter H2S monitor at WT68 before producing the WT68 well.	Section: Paragraph 71 P. 15	Shell will prepare a report that outlines the steps taken to implement the RWDI recommendations, and provide the report to the ERCB before producing the WT68 well.	<p>Completed -</p> <ul style="list-style-type: none"> <li>- Shell submitted updates to the report on: <ul style="list-style-type: none"> <li>- July 30, 2014</li> <li>- February 2, 2015</li> <li>- June 12, 2015</li> <li>- November 18, 2015</li> <li>- June 27, 2016</li> <li>- December 19, 2016</li> <li>- September 19, 2017</li> <li>- February 2, 2018</li> </ul> </li> </ul> <p>Shell submitted the report to the AER on May 27, 2014.</p> <p>The first perimeter monitor was installed prior to the production of the WT68 well on December 4, 2014.</p>
5 Perimeter H2S Monitors	The other perimeter H2S monitors can be installed after the start of production and testing of the perimeter system.	Section: Paragraph 71 P. 15	Within one year Shell will install the monitors and provide evidence to the ERCB.	<p>Ongoing - A perimeter monitoring system was installed by Shell and has been operating since before the well production. The system is being piloted to test viability long-term and at other sites.</p> <p>September 19, 2017 update: Perimeter monitors for two of the remaining sites will be installed by the end of Q4 2017/Q1 2018.</p> <p>February 2, 2018 update: Shell has installed perimeter monitors at 06-17 and 5-20 in Q4 2017. These monitors will be commissioned in Q1 2018.</p>

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6 RWDI Recommendations Progress Updates	Shell stated that it will continue to provide updates to WAG on the progress it makes on the recommendations from the RWDI report. The Board expects these updates to be provided regularly and that Shell will continue its involvement with the Air Monitoring Technical Subcommittee.	Section: Paragraph 71 P. 15	Shell will provide an RWDI recommendation progress update report at every WAG meeting and will continue to provide WAG meeting minutes to the ERCB.	<p>Ongoing - Shell provided WAG email updates for October 4, 2017 and July 12, 2017, and WAG meeting minutes for November 28, 2017 to the AER on February 2, 2018.</p> <p>Shell provided WAG email updates for February 14, 2017, May 17, 2017, July 12, 2017, and May 8, 2017 WAG meeting minutes to the AER on September 19, 2017.</p> <p>Shell provided four WAG email updates (for June 28, 2016, August 25, 2016, October 24, 2016, and December 19, 2016) to the AER on December 19, 2016. WAG meeting was postponed to Spring 2017.</p> <p>Shell provided May 26, 2016 WAG meeting notes, and three WAG email updates (for January 12, 2016, March 7, 2016, and May 13, 2016) to the AER on June 27, 2016.</p> <p>Shell provided October 28, 2015 WAG meeting notes and October 14, 2015 NDSC notes to the AER on November 18, 2015.</p> <p>Shell provided May 4, 2015 WAG meeting minutes and February 19, 2015 WAG Air Bulletin to the AER on June 12, 2015.</p> <p>Shell provided December 16, 2014 WAG meeting minutes and September 24, 2014 WAG Air Bulletin to the AER on February 2, 2015.</p> <p>Shell provided May 1, 2014 WAG meeting minutes and June 16, 2014 WAG Air Bulletin to the AER on July 30, 2014.</p> <p>Shell provided minutes from May 30, 2013 and October 24, 2013 WAG meetings and May 14, 2013 and October 16, 2013 WAG Air Updates to the AER on May 27, 2014.</p>

*The conditions imposed in approvals/licence(s) are monitored by the Alberta Energy Regulator (AER). The AER has developed a process whereby an action plan is developed internally to ensure that AER staff monitor conditions arising from decision reports for compliance. The conditions are managed in an action plan that is updated quarterly with statuses of conditions. The action plan defines the action required, timeframes for completion, and a summary of the evidence provided to confirm a condition was met. For more information, please contact the Action Plan Administrator at (403) 297-4289.*