Rightsholder and Stakeholder Perspectives on Inactive Wells

March 31, 2023



Objectives

Identify and engage the rights holders and stakeholders most highly impacted by inactive wells across British Columbia, Alberta and Saskatchewan, yet underrepresented among public records on the subject.

Supporting tactics:

- Comparative analysis of existing rightsholder and stakeholder mapping results against the individuals and groups quoted or referenced publicly through traditional media coverage, social media and other public records.
- Capsule interviews with a sample of rightsholders and stakeholders disproportionately underrepresented among media and public record content.

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Dominant Voices





Farmers/ Landowners

Key Areas of Expression

- Liability management and accountability
- Biodiversity loss and altered soil chemistry and reduced crop yields,
- Decreased property values and the potential for liability claims

Rural Municipalities

Key Areas of Expression

- Liability management and accountability
- Impact to water and air quality
- Reduced property values and resident flight



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Underrepresented Voices



Larson Yellowbird

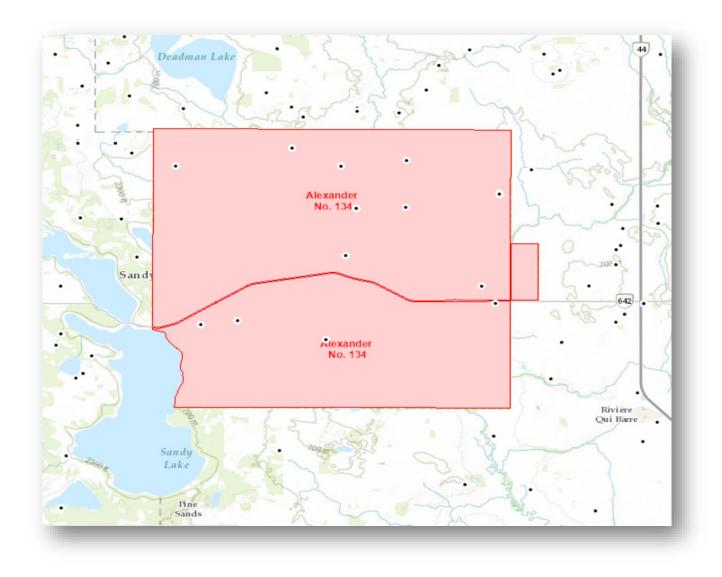
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Alexander First Nation

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Alexander First Nation - Overview

- Located in central Alberta, northeast of Edmonton
- 12 inactive wells within 20km



Community Representative

- Chief George Arcand Jr.
- Formerly
 - Grand Chief of the Confederacy of Treaty 6 Nations
 - Former CEO of Fort McKay First Nation
 - Former Regional Director, Indian and Northern Affairs Canada





Community Impacts

- New Infrastructure Limitations Lack of available housing and inability to expand residential development.
- Fear and Disconnect Generations of warnings impacting relationship with the land.
- Key Dependency:
 - Reversing stigmas through a transformative awareness campaign designed and implemented in partnership with First Nations



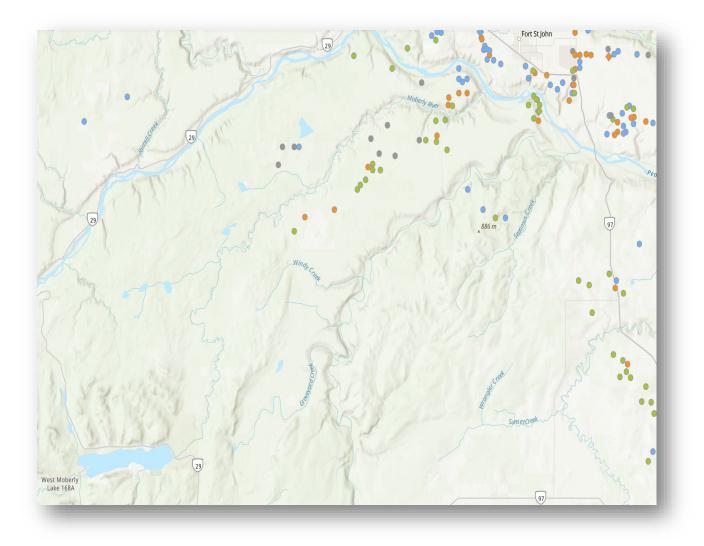
Alexander First Nation – Opportunities

- Repurposing decommissioned well sites with renewable infrastructure
- Aggregated First Nations remediation enterprise
- Key Dependencies:
 - Collaborative strategy forum convened by an appropriate facilitator
 - Industry and government funding and technical capacity building



West Moberly First Nation – Overview

- Located in northeastern British Columbia, Treaty 8, north of Fort St. John, British Columbia
- Approximately 10 inactive wells within 50 KM of the community





Community Impacts

- Barrier to rights and healing Inactive and orphaned well sites affect members' ability to exercise treaty rights
 - Wildlife corridor disruption
 - High risk traditional gathering sites

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West Moberly First Nation – Opportunities

- Mandatory Remediation and Reclamation Deposits
- Nation Led Reclamation Certification
- Funding to support Nation led remediation and reclamation
- Fitting abandoned sites with renewables
- Collaborative solution building and commitment setting including all active industry presence and traditional knowledge keepers

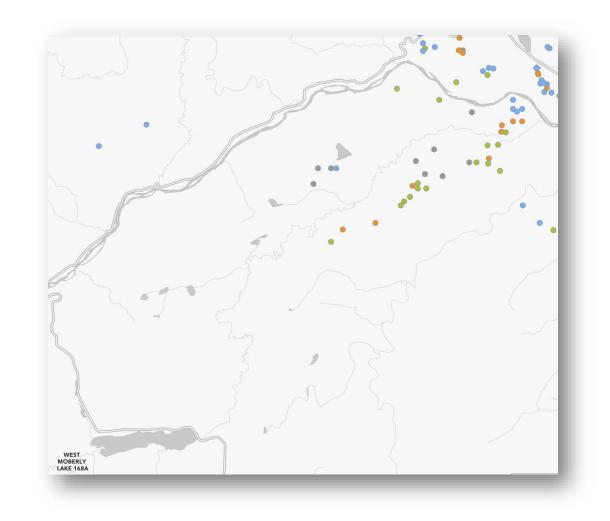


Saulteau First Nation

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Saulteau First Nation – Overview

- Located in the Peace River region of northeastern British Columbia, Treaty 8 territory.
- Approximately 10 inactive wells within 20 km



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Community Impacts

- Barrier to rights and healing High value traditional use areas have been disturbed and fragmented
 - •Soils and wildlife are contaminated with pollutants
 - •Remediation fails to meet existing regulatory standards, and does not include reclamation so ecologically suitable species are not reintroduced



Saulteau First Nation – Opportunities

- The Saulteau First Nation Government believes the community can perform reclamation better and to higher standards than current industry practices
- To this end, it has formed a nation-owned reclamation company and a native plants nursery
- Authority, or joint authority, to issue certificates of restoration, once sites are properly reclaimed to the satisfaction and standard of the First Nation



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Public Information Findings

- There is a distinct lack of Indigenous voices in the dialogue on inactive, orphaned oil and gas wells in all three provinces. Although minimal, Alberta's First Nation groups seemed to be the most publicly involved in wellsite reclamation and oil well clean-up efforts. For instance, the Siksika Nation of the Blackfoot Confederacy in April of 2022 hosted the Wellsite Abandonment & Reclamation Training Program provided by the National Energy Business Centre of Excellence (NEBCE) and the Indian Resource Council. This program helped train individuals who want to be employed through the site reclamation program to work on abandoned well-sites. They also host Land Use Community Sessions within the nation, and in a meeting with Government of Alberta Officials in October of 2021 one of the discussed priorities was "more environmental protection practices of natural areas are needed within the territory and on-reserve lands."
- Likewise, the Woodland Cree FN (First Nation) 474 of the Kee Tas Kee Now Tribal Council have a Developing Nation plan for Site Rehabilitation Program (SRP) Funding work "which is a site rehabilitation program for abandoned wells in the area and identifying which wells we want reclamation work completed on," as indicated in their October 2021 Newsletter. The Whitefish Lake First Nation of the Kee Tas Kee Now Tribal Council also identified orphan wells and other inactive sites as a concern in their submission to the National Energy Board Trans-Mountain Expansion Reconsideration Hearing in 2018.
- The Alexis Nakota Sioux Nation of the Yellowhead Tribal Development Foundation in their 2020 leadership report to members, identified Backwoods Energy Services Inc. "as the leading Indigenous contractor in the billion-dollar Site Rehabilitation program wherein BW will be working on reclamation and remediation of suspended and [orphaned] wells throughout the province."



Public Information Findings (Cont.)

- British Columbia and Saskatchewan have almost no information on the official positions or opinions of First Nations regarding orphan wells. The land-use and resource management issues in British Columbia are primarily related to fisheries and oceans, and pipelines, while in Saskatchewan they are primarily related to forestry and farming. The Ulkatcho First Nation of the Carrier Chilcotin Tribal Council of British Columbia did undertake a Spatial Mapping Project to have a digital mapping system for lands, resources, and civic planning to identify where all the wells, lines, valves etc. are located on their territory according to their 2019 Community Report.
- Nearly all Tribal Councils or representative First Nation groups, however, have a contact, committee or department dedicated to land use and resource management. Many also have in place official legislation or agreements regarding environmental protection and stewardship.
- These findings suggest that while First Nations groups may not be very vocal publicly, they are likely involved in inactive, orphaned well reclamation work within their own communities in some capacity, particularly in Alberta. These results yielded outreach recommendations for targeted interviews with Indigenous communities, particularly in northeast B.C.
- Additionally, researchers also conducted an earned media scan of inactive and orphaned wells by influential voices that produced recommendations for targeted interviews with landowners and industry stakeholders.

Social and Traditional Media Sources

Research into data-driven analyses of the social and traditional media landscape surrounding inactive and orphan wells over the last 15 months included:

- Social and Traditional Activity: An overview detailing the key drivers of the activity and themes on both social and traditional media as it relates to the situation of orphan wells in British Columbia, Alberta, and Saskatchewan;
- Social Perspectives Analysis: Social analysis of key individuals / groups discussing the topic online in B.C., Alberta, and Saskatchewan, their perspectives / concerns, possible solutions, and affiliations; and,
- Media Perspectives Analysis: Analysis of key individuals representing the subject in traditional media, their perspectives/concerns, possible solutions, affiliations.

Over the last 15 months (Nov 2021 – Feb 2022), there were 3,445 print / online news mentions of orphan wells as it relates to the situation in Western Canada. More than 40% of this activity was driven by outlets in the United States reporting on stock related news for energy companies who mention environment goals relating to orphan wells. The other 60% of the media activity is occurring in Canada with much of it focused on political and economic factors relating to the clean up of inactive and orphan wells.

There were 3,736 Twitter mentions of inactive and orphan wells as it relates to the situation in Western Canada. The discussion was almost fully driven by users in Canada. Albertans appear to be driving Twitter activity with three out of the top five cities being within Alberta. Additionally, the word "Alberta" or names of Albertan political leaders were referenced in nearly a third of the discussion.

Social and Traditional Media Sources (Cont.)

Much of the conversation is political with discussions focused on the performance (or lack thereof) from provincial or federal parties and their leaders as it relates to clean-up efforts. This is at times driven by opposition parties / leaders at all levels of government.

Funding announcements and new policies targeted at energy companies for inactive and orphan well clean-up garnered the most engagement. Users were quick to react with likes, shares, retweets, and comments of support in response to these media reports.

Additional statistical insights include:

- More than 50% of Twitter users discussing the topic are over the age of 55;
- More than 25% of Twitter users are professors, researchers, and subject-matter experts; and,
- 25% of users are journalists, reporters, and media outlets.

We also reviewed voices showing up in media during key announcements relating to the topic before November 2021, including:

- Supreme Court/ Redwater Energy Decision (2019);
- Auditor General Report B.C. Oil and Gas Commission's Management of Non-Operating Oil and Gas Sites (2019); and,
- 1.7B of federal funds promised to clean up orphan wells in B.C., Alberta, and Saskatchewan (April 2020) followed by the \$100M promised to First Nations in Alberta (2020).

Mainstream media across Canada has been sharing a relatively balanced overview of the situation in their reports, but at times skews negatively towards the industry or governments (depending on the outlet). For the most part, statements featured in stories are from leaders at the three levels government, First Nations leaders, subject matter experts and researchers in energy and the environment, community members, and landowners or farmers affected.

Social and Traditional Media Findings

- Possible solutions for inactive and orphan well abandonment and reclamation are not a key focus in social media and users often appear more frustrated with political leaders or parties than with the issue itself. Social discussions appear to be motivated by politics rather than genuine care for the environment, land and people affected. While positive social media discussions occurred in response to government funding announcements, Twitter threads were often tied in with criticism towards current or past governments and their leaders.
- There were some instances of divides between provinces, with B.C. and Saskatchewan users blaming Albertans. Some individuals expressed belief that federal taxpayers should not be impacted by clean-up efforts in Alberta (i.e., "They did this to themselves; let them pay for it.")
- Some people are excited about the opportunities of solar and wind on inactive oil sites. However, most recently, Albertans are expressing concerns over this boom and comparing it to the orphan well issue. There is ample opportunity to better understand these perspectives.
- There is a strong belief that the cost of orphan well clean up should be put on the companies behind the drilling (i.e., Polluter Pay Principle). Some express this belief with criticism towards government for their role in allowing the issue to occur (i.e., lack of rules/regulation and enforcement/ accountability). Notably, the topic's complexities are not showing up in these discussions in meaningful or in-depth ways.
- Some landowners and community members feel like they have been taken advantage of. Despite this, there is hope government and industry can work together with communities to fix past mistakes. Additionally, community members and landowners have expressed general concerns about the money needed based on the estimates, as well as the labour force needed to do the work.



Research Questions

Having identified most relevant Indigenous communities, municipalities, and landowners through a systematic and comprehensive environmental scan, the following research questions are being posed (see Appendix III for Interview Guide Questions):

- 1. Who are the key rights holders and stakeholders impacted by inactive and orphaned wells and how should they be involved?
- 2. What are the rights holders' and stakeholders' key issues, concerns, and expectations?
- 3. What are their ideas for specific solutions to the problem?

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Media Overview

Our Data Intelligence report provided an analysis of the social and traditional media landscape surrounding orphan wells over the last 15 months, including:

- Social and Traditional Activity Overview: An overview detailing the key drivers of the activity and themes on both social and traditional media as it relates to the situation of orphan wells in Alberta, Saskatchewan and B.C.
- Social Perspectives Analysis: Social analysis of key individuals/groups discussing the topic online in Alberta, Saskatchewan and B.C., their perspectives/concerns, possible solutions, and affiliations
- Media Perspectives Analysis: Analysis of key individuals representing the subject in traditional media, their perspectives/concerns, possible solutions, affiliations
- Key Takeaways: Concluding insights on stakeholder perspectives

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Key Takeaways

- Possible solutions on ways forward for cleaning up is not a key focus on social media and users often appear more frustrated with political leaders or parties than with the issue itself.
- There were some instances of a divide between provinces, with some users blaming Albertans, themselves.
- People are excited about the opportunities of solar and wind on inactive oil sites. However, most recently, Albertans are expressing concerns over this boom and comparing it to the orphan well issue.
- There is a strong belief that the cost of orphan well clean up should be put on the companies behind drilling (i.e., the Polluter Pay Principle).
- Some landowners and community members feel like they have been taken advantage of.



Rightsholder / Stakeholder Gaps

The findings have also informed researchers to seek targeted interviews with the following Saskatchewan associations representing provincial municipalities:

• Saskatchewan Urban Municipalities Association (SUMA)

Finally, findings from the Social and Traditional Media research have identified the following rights holders and stakeholders who are able to provide further perspectives from landowners:

- Daryl Bennett, Farmer / Director of Action Surface Rights Association
- Carla Davidson, Founder of Endeavour Scientific, Inc.
- Gillian McKercher, Former O&G Engineer / Documentary Film Producer

Indigenous Leaders

Name: Stephen Buffalo Affiliation(s): President and Chief Executive Officer of the Indian Resource Council of Canada (represents more than 100 First Nations with oil and gas reserves)



Name: Chief Roy Fox Affiliation(s): Blood Tribe in southwest Alberta



Name: Billy Morin Affiliation(s): Grand Chief of the Confederacy of Treaty Six First Nations and Chief of Enoch Cree Nation

