

OUR COMMITMENT

TO OPERATING IN A SAFE AND RESPONSIBLE MANNER

The Lochend Industry Producers Group comprises four reputable oil and gas companies that have a proven track record and are committed to integrity, safe and fair practices, partnering with the community for responsible resource development.

www.lipg.ca



lochend industry producers group



MORE FACTS ABOUT OUR INDUSTRY PRACTICES

When it comes to energy development, **MYTHS, MISUNDERSTANDINGS** and **EXAGGERATIONS** abound. In an effort to dispel some of these misconceptions, the Lochend Industry Producers Group (LIPG) has responded to some of the frequently repeated fallacies surrounding hydraulic fracturing and industry practices.

Please contact us if you have any questions.

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YOU MAY HAVE HEARD

X MYTH: Waste water is disposed of at the local water treatment plant.

✓ FACT: WASTE WATER FROM DRILLING OPERATIONS NEVER ENTERS THE PUBLIC WATER SYSTEM. Waste water or flowback water is collected at the wellhead and whenever possible is recycled for use in another well. When the water is unsuitable for recycling it is trucked to a provincially licensed waste disposal facility.

YOU MAY HAVE HEARD

X MYTH: Frack water is sprayed on local roads.

✓ FACT: WASTE WATER OR FLOWBACK WATER IS NEVER SPRAYED ON ROADS. Waste water or flowback water is collected and disposed of in the manner described above. Each LIPG member company has a road use agreement with Rocky View County. Fresh water or a mixture of water and calcium is used for dust suppression on roads where there is increased traffic due to well operations. The calcium is a hardening agent that helps reduce the maintenance required.

YOU MAY HAVE HEARD

X MYTH: Oil companies use non-disclosure agreements to suppress criticism and reports of water well contamination.

✓ FACT: LIPG COMPANIES DO NOT HAVE ANY NON-DISCLOSURE AGREEMENTS INVOLVING WATER WELL CONTAMINATION IN THE LOCHEND AREA. LIPG member companies have published a water well testing protocol under which landowners with water wells within 400 metres of a proposal well may request water quality and flow testing. In the event a landowner requests their water well be re-tested as a result of perceived changes, they must register the complaint with Alberta Environment. This action ensures that all concerns about water quality are publically available.

YOU MAY HAVE HEARD

X MYTH: Companies are planning an additional 200 to 300 wells in the Lochend area over the next three years.

✓ FACT: WELL ACTIVITY IS UNLIKELY TO INCREASE MORE THAN THE PACE OF THE LAST FOUR YEARS. The four companies that make up LIPG have been operating in this area since 2009. To the end of 2013, a total of 110 wells have been drilled. We estimate that in 2014, an additional 39 wells will be drilled. While activity levels are largely dependent on well performance and commodity prices, we do not foresee activity levels increasing dramatically.

YOU MAY HAVE HEARD

X MYTH: "Ground Shield Flares" are used by Lochend area producers to limit the height of well flares and deceive the public.

✓ FACT: IN LATE 2011, MEMBER COMPANIES VOLUNTARILY REPLACED FLARE STACKS WITH INCINERATORS, WHICH COMBUST MORE THAN 98% OF ALL SOLUTION GAS. In an incinerator, gas and air are mixed and ignited in an enclosed chamber resulting in higher combustion temperatures and improved combustion efficiency, without the presence of a visible flame. The amount of incineration in the Lochend area has been greatly reduced as more wells are tied into a gas pipeline system thereby reducing the need for incineration. Today, more than 95% of all solution gas is captured for sale. Each company was audited by AER in 2012 and all incinerators were certified as having met current government regulations.