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July 12, 1991

INFORMATION LETTER 91-17

SUBJECT: Procedural Guide for Oil and Gas Activity on Caribou Range

To manage oil and gas activity on caribou range more efficiently, the attached Procedural Guide has been approved for use by our staff and the oil and gas industry.

As noted in the Guide, this initiative is "the first component of a multi-sectoral, integrated approach by government to manage woodland caribou in Alberta."

To plan for long-term management, we recognize the need for research, including a literature review, to determine the factors that influence the size of caribou populations. The interrelationships of these factors should also be researched and a coordinated approach taken to mitigate, as far as practical, all the negative impacts. Forestry, Lands and Wildlife will ensure research programs are coordinated and focused on areas where current data are insufficient to make effective land use decisions.

Knowledge of the location of Alberta caribou range has been generalized on the attached map. As new data are obtained, the extent of individual ranges will be refined and the key areas within them identified.

For further information, contact:

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Attachments (2)

PROCEDURAL GUIDE FOR PETROLEUM AND NATURAL GAS ACTIVITY ON CARIBOU RANGE

INTRODUCTION:

Petroleum and natural gas exploration and development activities can occur on caribou range, provided the integrity of the habitat is maintained to support its use by caribou.

Woodland caribou are classified as "endangered" in Alberta in accordance with Alberta's Wildlife Act. They are particularly vulnerable because they adapt poorly to changes in their habitat and have low reproductive rates. Among the many factors that may influence their numbers are the following: predation, habitat loss, Native hunting, poaching, harassment and disturbance.

To fulfill the government's management intent for caribou as outlined in the 1982 Fish and Wildlife Policy and the 1984 Fish and Wildlife Status Document, it is necessary to carefully manage activity on caribou range. This Procedural Guide is the first component of a multi-sectoral, integrated approach by government to manage woodland caribou in Alberta.

To guide petroleum and natural gas activity on caribou range, an implementation strategy has been developed. The Alberta Department of Forestry, Lands and Wildlife (FLW), in consultation with the energy industry, will develop and apply detailed and site-specific operating guidelines and conditions in accordance with this Procedural Guide. Guidelines and conditions will be implemented by FLW through existing referral and approval processes.

Implementation of the Procedural Guide will be governed by the following five principles:

1. <u>FOREWARN INDUSTRY</u> - Industry will be made aware of potential restrictions on caribou range access and operating procedures in advance of their investment in oil and gas interests so they can assess the relative costs of operating in these areas. This information will allow industry to (a) make investment decisions, (b) plan activities, and (c) work cooperatively with government field staff.

All parcels that are located in caribou range, and are advertised in the Public Offerings of Crown Petroleum and Natural Gas Rights, will have accompanying addenda that state "access is subject to specific restrictions." General information about the nature and location of these restrictions will be available from the FLW Fish and Wildlife (F&W) Division's contact person indicated in the addenda. More detailed information will be available from F&W when surface lease applications are made. The level and specificity of information available to prospective bidders will probably be more general than the information available on a quarter-section basis to surface lease applicants.

2. PLANNED & COORDINATED DEVELOPMENT - Where possible, petroleum and natural gas exploration and development activities within caribou range should be planned and coordinated. The Fish and Wildlife Division must be sufficiently informed to enable their staff to assess the intensity of seismic exploration activity proposed for a given caribou range for each individual season, and consequently to provide sound advice to approval agencies. This may imply pre-season deadlines for seismic approvals, (for instance, September 1). It may also imply restrictions on the number of seismic programs approved, or it may imply coordinated or group programs.

If the number of programs is limited and access is granted on a first-come, first-served basis, the posting cycle may have to be extended or it may be necessary to defer the sale of offered parcels to allow sufficient access to maintain effective competition. The intent is to minimize the intensity of seismic activity where it affects the integrity of the caribou habitat.

Pool and field development will require more effective communication between FLW and the Energy Resources Conservation Board (ERCB). The ERCB has, as one of its mandates pursuant to the Energy Resources Conservation Act, the authority "to control pollution and ensure environment conservation in the exploration for, processing, development and transportation of energy resources and energy." The ERCB will strongly support all efforts for coordinated energy development, and to the extent possible within its mandate, will work directly with FLW, the Department of Energy and industry to assist in this process.

Exploration and development activities within caribou range should also be viewed from a broader perspective than on a well-by-well application basis to ensure the pace of development is controlled. However, government will continue to ensure lessees receive an equitable share of the resource. The government may also encourage the adoption of production-sharing agreements during the development phase to maintain equity among operators. The objective is to reduce the intensity of the negative impacts on the caribou range.

Use of common access by companies active in caribou range will be encouraged where practical. Forestry, Lands and Wildlife will ensure all resource extraction activity is coordinated to minimize negative impacts on the caribou habitat.

3. GOVERNMENT AND INDUSTRY COOPERATION - Woodland caribou should be secure in the use of their habitat. To achieve this goal, there must be cooperation between government and industry staff. The Regional Resource Management Committees (RRMCs) of FLW will establish Standing Committees (SCs) for individual areas when required. Committee members will be operationally oriented, have a vested interest in cooperative resource management and be able to participate in effective, integrated, decision-making.

Membership on the SCs for each area will include companies operating in the area, the Alberta Forest Service (AFS), F&W, ERCB and Alberta Energy. coordination and decision-making will be enhanced, representatives with broader industry interests may be included. The prime purpose of the SCs, however, will be to foster cooperation, to share information and advice on the level of protection required for the caribou, and to develop area-specific mitigation plans. They will develop a practical approach to oil and gas activity in each area. The plans and strategies will be prepared for the RRMC by the SCs, and will be consistent with provincial policy and implemented through existing referral and approval processes. If deemed necessary, SCs should commence the development of guidelines sufficiently early to assist industrial planning.

In cooperation with the participating oil and gas operators, FLW staff will monitor and assess the risk to caribou, and if justified, request that operators modify their activities.

- 4. FLEXIBLE APPROACH Flexibility will be required on the part of both the energy industry in its approach to oil and gas development, and regulatory and government agencies in the application of their regulatory authority. Operating conditions, developed in cooperation with the industry, will take into account seasonal variations, the range-specific requirements of the caribou, and practical limitations on operations imposed by safety and the physical environment. Agencies requiring specific conditions should explain and justify the rationale for the conditions early in the process as a part of the cooperative management effort.
 - If planning efforts and mitigation plans have not been successful and access has not been granted in time to satisfy commitments, extensions of agreement terms subject to Section 8 of the Mines and Minerals Act will be considered.
 - Should the government decide development of an agreement is not in the public interest, the provisions of the Mines and Minerals Act, Mineral Rights Compensation Regulations, may apply.
- 5. MANAGE ACCESS Access should be managed to protect caribou. To control or limit access, restrictions on timing, limitations on the development of new access and closure of existing access may be considered. More specifically, the number of permanent roads into caribou range should be minimized and, if developed, should have as few entry points as possible. Provision exists to apply access restrictions as a condition of the specific activity or disposition when approved or issued, respectively.

