

**DISTRICT OF HUDSON'S HOPE**  
**SPECIAL MEETING**  
**HELD IN THE COUNCIL CHAMBERS**  
**WEDNESDAY, DECEMBER 10, 2008 AT 2:00 P.M.**

Present **Council:** Mayor Anderson; Councillors Stacey, Summer, and Johnson  
**Staff:** C. Bonnick, Administrator; and B. Mercereau, Deputy Clerk

**CALL TO ORDER**

**Talisman Energy**

Talisman Energy representatives presented the following information on their company and the Montney shale gas play:

- Talisman is an international upstream oil and gas company with the majority of the production taking place in North America, the North Sea and Southeast Asia;
- they operate and maintain approximately 160 wells, 4 gas plants and associated facilities and pipelines in northeast British Columbia;
- the production in the area is roughly 150 mmcf/d, which accounts for roughly 15% of Talisman's North American gas production;
- the main field offices in the area are located in Chetwynd and Grande Prairie;
- discussed safety training that is given to all employees, in addition to the Emergency Response Plan training and drills that occur regularly;
- they have advanced technology that allows monitoring of wells from a distance to help ensure safety of employees;
- discussed the characteristics between conventional versus unconventional resources;
- unconventional gas has a large resources base and stability
- with technology advances it is getting easier to access these unconventional resources;
- a large number of wells are able to be drilled from one pad with horizontal drilling;
- horizontal drilling can be up to 1 to 2 kilometres in length;
- the drilling depth is well below any potable water sources and below the coalbed methane drilling levels;
- the lifespan of an unconventional gas well is approximately 50 years;
- the Farrell play is currently in the pilot phase which includes drilling sample wells, test extraction techniques, environmental planning, engaging stakeholders and the community; and regulatory framework certainty;
- the Montney shale is classified as a world-class shale gas resource and is between 150 to 500 metres thick;
- they are estimating 100 to 350 bcf per section from the montney shale;
- advised that they would require \$6.50/mcf gas price for them to breakeven for this project;
- the plan for 2009 is to drill 7 wells and 2 pads, but plans are changing constantly;
- the new horizontal wells will be drilled off 2 pads and the vertical locations will be used for future horizontal drilling;
- surveying for pad and facility locations is being completed and are expecting to do permitting in Spring, 2009;
- to release the gas potential they need to use hydraulic fracturing using slick water;
- the tests of the shale gas has shown no sour gas content;
- discussed the increase of truck traffic on the Beryl Prairie Road and advised that they are looking at constructing a new road that would bypass Hudsons' Hope entirely;
- discussed water management and the large amounts of water that are needed during the fracturing process;
- also discussed the need of deep disposal wells or treatment for reuse of the produced water from the wells;
- they are in discussion with Shell Canada to determine whether they may be able to

- use their disposal wells and maybe find a way to use some of the water from Shell's wells in their own program;
- to help in minimizing the footprint the pads have been designed to allow numerous wells to be drilled from one site;
  - would like to have on going communications with stakeholders and address any issues that may arise;
  - one initiative they are working on is the Good Neighbour Program that works on alternate routes for traffic to keep it away from communities, speed management, trying to time intense traffic activity away from school bus times and managing impacts on public roads;
  - want to try to link work opportunities with local labour workers and contractors;
  - want to see local communities benefit directly from their presence with local taxes, royalties, jobs and community projects;
  - have a prequalified list of people to choose from for work who have all the qualifications needed;
  - they have a policy to hire both local and aboriginal workers;
  - most lands that are being developed are North of the municipal boundary but some of the tenure does encroach on the boundary;
  - discussed the referral process and how scheduling needs to be discussed with other tenure holders including Guide and Outfitters; and
  - discussed the sand used with the water during the fracing process and advised that it is pure sand that has no contaminants.

#### **ADJOURNMENT**

The special meeting of the Council was adjourned at 3:30 pm.

Certified Correct:

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Clerk

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Mayor