

Whaleback Gas exploration gamble turning sour?

By James Tweedie

A year ago, Polaris Resources initiated their public consultation process for a sour gas play in the Whaleback area. Polaris is acting as the lead partner of a joint venture consortium of oil and gas speculators that include Knight Petroleum and Rick's Nova Scotia Ltd (from Oklahoma, lest you think otherwise), having acquired the freehold subsurface mineral rights for the half section of land (Section 32 - Township 10 - Range 2 -West of the 5th) that borders the Bob Creek Wildland and the Black Creek Heritage Rangeland, that were established in 1999 under Alberta's Special Places program to fulfill "this government's promise to protect the exceptional landscape of Alberta's Whaleback region" (Premier Klein, May 11, 1999).

The neighbouring ranching community of Maycroft was suitably outraged and about 30 interventions were immediately filed with the AEUB to express concern over this apparent threat to the area that would jeopardise the hard-won community decisionmaking process that had seen the creation of the "Special Places" protected areas.

Polaris secured title to these mineral rights from Richfield Oils in september 2001. While the sale price of this deeded title remains confidential, it is worth noting that in 1998 Richfield Oils bought a five year lease on this land from the Montreal Trust Company for a mere \$8,000. In the early 1990's Amoco Canada had paid the Alberta Treasury over a million dollars for its oil and gas leases in this same area. Clearly Polaris is into high risk gambling, especially given that all the adjacent mineral rights are held by the Nature Conservancy of Canada as part of Amoco's "environmental legacy".

According to the joint press releases made at the time by Premier Klein, representing the Government of Alberta, and John Lounds, Executive Director of the Nature Conservancy of Canada, the public was led to believe that "this exceptional landscape" (Premier Klein), "this extraordinary landscape" (Hon Ty Lund, then Minister of the Environment), "the largest undisturbed montane landscape in Alberta's Rocky Mountain Natural Region" (Premier Klein) was to be protected as an environmental legacy for all time. "We fully appreciate the national significance of this area. We are extremely proud to have played a role in ensuring that a living legacy, the Whaleback Area, will forever benefit future generations. Creating this environmental legacy is the right thing to do." said Joseph H Bryant, President of Amoco Canada. The Nature Conservancy's press release stated: "The Nature Conservancy of Canada will hold the mineral interests until they expire in 2004. At which time, the mineral interest will revert to the Province of Alberta and never be resold."

In light of these statements and the regulations of the AEUB that require a sour gas operator to hold a full section of subsurface rights for exploration, it appears that Polaris has been attempting to fast track this exploration before the 2004 deadline, even though they would like to argue that only the leases contained within the protected areas will be held to that commitment. In a letter in the summer of 2000, the Nature Conservancy made it quite clear to both Polaris and the AEUB that they are not interested in participating in any exploration activities in this area, nor are they prepared to negotiate away this conservation achievement that "all Canadians should be proud of" (May 11th 1999 Press release). The organisation still holds to that position today.

Having failed to secure their cooperation, Polaris has now applied to the AEUB to exercise its powers to establish compulsory pooling ("forced pooling") that would require the Nature Conservancy to become a "partner" in Polaris' exploration and production activities or face a 200% costs penalty. Should the AEUB take this route they will be stepping over a threshold of credibility as the public regulator and arbiter of the public good that all participants in the industry should be alarmed by, not just the local Maycroft ranching community, who remain as adamant in their objections to this project as they were a year ago. Although Polaris had hoped to have their application approved last June, the AEUB is still in the process of reviewing it. A prehearing has been tentatively scheduled for April 16th and a public hearing for sometime in June. If you care about this spectacular landscape as much as Premier Klein and the Hon Ty Lund do, please write to them to let them know that you expect them to uphold the commitments made in 1999. Your support for the Nature Conservancy's position would also be welcomed by its local

beleaguered Executive Director, Larry Simpson (address below).

Letters of intervention to the AEUB can be sent to Mr. Paul Forbes at the Applications Division:
<Paul.Forbes@gov.ab.ca> or fax 403-297-7336.

Govt contact list:

Premier Klein

#307, 10800-97th Ave

Edmonton, AB T5K 2B7

ph: 780-427-2251, fax: 780-427-1349

(particularly remind him of his commitment to "this magnificent landscape")

The Hon. Dave Coutts, MLA Livingstone-Fort Macleod

203 T5K 0R00 - 97th

Edmonton T5K 2B6 Fax: 780-415-4853

Email: Livingstone.Macleod@assembly.ab.ca

The Hon. Lorne Taylor, Minister, Alberta Environment

423 T5K 0R00 - 97 Ave

Edmonton T5K 2B6

ph: 780-427-2391, fax:780-422-6259

The Hon. Gene Zwozdesky, Minister, Alberta Community Development

#229 T5K 0R00 - 97th Ave

Edmonton, Ab T5K 2B6

ph: 780-427-4928, fax: 780 -427-0188

The Nature Conservancy

contact: Larry Simpson

602 - 11th Ave,

Calgary, T2R 1J8

--

James Tweedie,

P.O. Box 115

Lundbreck, AB T0K 1H0

Ph: 403-628-2422 (hm)

Fax: 403-628-2781

Email: tweedie@telusplanet.net

web: www.telusplanet.net/public/maycroft

"Environmental citizenship is about contributing-

About doing your part.

It means becoming informed and getting involved.

It means believing you can make a difference.

It means caring for Canada."

Environment Canada, The Nature of Canada: A Primer on Spaces and Species (1993)