

Crying foul over Calmar gas well

Calmar residents upset about lack of compensation, loss of property values

By Hanneke Brooymans, edmontonjournal.com December 6, 2010 8:47 AM



Capital Excavating Ltd. works to disconnect the water and sewer lines on one of three homes in Calmar that are to be demolished by Imperial Oil.

Photograph by: Brian Gavriloff, edmontonjournal.com

EDMONTON — Imperial Oil will start knocking down homes in Calmar this week as it prepares to fix a previously abandoned well that leaked into one home's backyard in 2008.

The company bought three of the five homes in Evergreen Crescent that it needs to complete the project and is still in mediated negotiations for the other two homes.

Some neighbours say they are unhappy they won't receive compensation. They say they face not only the noise and inconvenience of the demolition but also loss of value to their properties. They feel that someone should be held responsible for the situation they're in. The group has hired a lawyer, who recently took their views town council recently.

"I'm hoping they can relocate us, compensate us," said Ralph Olson, referring to the town and [Imperial Oil](#). He expects his home in Evergreen Crescent to be next to the rig that will move in to fix the well.

"I think the fair way to handle this would have been to go into this subdivision after they realized what a debacle it is — there are only 14 homes in the actual Evergreen subdivision — and just go to the homes and say, 'Here's the situation. Do you want to stay or do you want to leave? If you want to leave, we'll buy your house back. If you don't want to leave, we'll compensate you for the noise and inconvenience.' "

Not only will they have to deal with noise and blocked off streets and alleys, but "those who remain will have to deal with the stigma of this well, both in the short term and the long term." That's what it says in the pamphlet that Olson and about three other like-minded residents began distributing in town recently outlining their concerns about the situation. "Now that (the Evergreen Crescent well) is public knowledge, homeowners adjacent to the well site and within reasonable distance of it will have to disclose the existence of the well bore at time of sale as part of legislated full disclosure. Failure to do so may result in legal action against them down the road."

Olson and other residents say they never would have built a house there had they been told about the well. They are considering legal action against the town.

"In my opinion, it's the town's fault," said Saharan Shah, who can see the houses marked for demolition from her front window. "Even though it's not law," Alberta Municipal Affairs and the Energy Resources Conservation Board "put out enough bulletins and stuff that they should be checking what's under the ground. The way I consider it is you've got to call before you dig to build a fence, how can you build a subdivision without checking what's under the ground?"

Like Olson, she believes the town and the company should come together and offer something to the residents.

"Obviously, some people feel more affected than other people," Olson said. "But the unfortunate part is it's going to affect everybody over time. It is affecting the price of homes in Calmar in general. Have you ever been on the albertawellregistry.com website?"

The website front page says, "Avoid the heartache of Calmar."

"So obviously this is a recognized situation that needs to be dealt with," Olson said.

The website says it can offer up to date and accurate reports on the location of hidden and abandoned wells on property. "Check before you buy!" it urges.

Abandonment of an oil or gas well occurs when flow in the well is stopped and a cap is placed over the casing about one metre below the surface. Theoretically, these plugged wells are supposed to be safe.

Currently, the Municipal Government Act has a subdivision and development regulation that doesn't allow any homes or public facilities to be built within 100 metres of a gas or oil well. But it specifically says that it doesn't include an abandoned well. And after surface reclamation is complete and Alberta Environment issues a certificate abandoned well, sites can even be removed from a land title.

Olson said the Alberta government is working to make sure that doesn't happen in the future. In an information bulletin dated Aug. 2010, Alberta Municipal Affairs says the ERCB is currently developing specific setback distances that will be incorporated into the Subdivision and Development Regulation, which falls under the Municipal Government Act.

Ministry spokesman Jerry Ward said in an e-mail that the minister has extended the deadline for completing this amendment from the end of this year to March 31, 2011, to allow for additional input from interested parties.

The sweet gas well in Evergreen Crescent is one of three abandoned wells found by Imperial to be leaking gas into the surrounding soil. The first leaking well was found by a developer who saw bubbles in a puddle near an elementary school in town. The wells were drilled and abandoned by Texaco in the 1950s and 1960s. They became Imperial Oil's problem when the companies merged in 1989.

Company spokeswoman Laura Bishop said all three wells were leaking small quantities of sweet gas in the subsurface, but tests showed there were no health or safety risks to the residents. The company did put wellheads on all three of the wells, though, to contain them. There are currently no leaks, she said.

The well near the school has already been abandoned — the oilpatch term for permanently sealing a well. Once the three homes in Evergreen Crescent are removed, the land will be returned to a level grade, she said. The company still needs to buy at least one of the other two homes to go ahead with the plan, she said. It also still needs to have a drilling plan approved by the ERCB before it can work with a drilling rig next summer, she said. They plan to relocate people from 14 residences during the drilling activity.

Mayor Don Faulkner said council is waiting for the residents who attended a council meeting in November to give them a written summary of their concerns and how they would like to have them addressed. Faulkner said he also asked their lawyer for a list of his clients so they can address the specific concerns of each household.

“We are very eager to find a resolution to this issue and move forward to it.”

He added that the community put forward a resolution at the annual general meeting of the Alberta Urban Municipalities Association last month that would ensure a similar situation doesn't arise again. The resolution urges the provincial government to enact legislation requiring land titles to contain information about the presence of an abandoned oil or gas well that is on the land or within 15 metres of the well. This information should stay on the land title in perpetuity and all wells should be registered with Alberta 1Call, they added.

hbrooymans@edmontonjournal.com

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