

January 7, 2002

Mr. Gary Barnes
Western Site Technologies
245 Scenic View Close N.W.
Calgary, Alberta T3L 1Y5

Dear Mr. Barnes,

RE: WESTERN SITE TECHNOLOGIES (WST) ENCAPSULATION PROCESS

The purpose of this letter is to inform Western Site Technologies (WST) that the Alberta Energy and Utilities Board (EUB) has reviewed the information provided by WST regarding the proposed management option of invert drilling wastes via encapsulation. Information to verify the potential success of this technology with respect to drilling waste management is still outstanding. To proceed further with this potential disposal option the EUB requires that the specific well licensee of the site that has generated the drilling waste submit, on company letterhead, a request for approval to dispose, as per Section 6 of *Guide 50: Drilling Waste Management*.

If a well licensee (i.e. client of WST) wishes to use this technology the EUB at a minimum would require the following information from that well licensee:

1. The wellsite licence and wellsite location where the disposal technology is to be used,
2. The specific proposed end use of the encapsulated materials at each wellsite,
3. A list of the suggested parameters to be monitored, what mediums will be analyzed (i.e. receiving soils, encapsulated wastes, groundwater, etc.), and how often monitoring will occur (i.e. monthly, weekly etc),
4. Information on how any potential limitations of the proposed disposal option will be addressed (i.e. dust control due to degradation of encapsulated materials),
5. A brief description of how the proposed disposal may impact the end reclamation of the lease site (i.e. creation of hardpan conditions on the leases in question),
6. An explanation of allowances for run-on and/or run-off control over the project area.

WST should be aware that each well licensee's disposal plan will be evaluated on a site-by-site basis depending on the specific proposed end use of the encapsulated drilling wastes. The EUB wishes to thank WST for their time and effort put into bringing this potential disposal option forward.

Regarding WST's request that your specific encapsulation technology be entertained in the upcoming review of *Guide 58: Oilfield Waste Management Requirements for the Upstream Petroleum Industry*, please note encapsulation / chemical fixation is a generic technology. A company's specific technology or process of this nature must be evaluated through an individual application.

Yours truly,



Jason Desilets
Drilling Waste Specialist
Waste Section, Operations Group
EUB

Pc: Doug Boyler, EUB Operations
Susan Halla, EUB Waste Operations
Al Cutt, Chevron Resources