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NEW RIVER WATER TESTS FROM NORTH SASKATCHEWAN SHOW MORE CONTAMINATION AFTER HUSKY OIL SPILL

Latest results show new water contamination, no plans to shut off water treatment plants again.A new water sample from the North Saskatchewan River has exceeded drinking water guidelines.The water sample, taken near Prince Albert, Sask. found Benzo(a)Pyrene, a carcinogen that can be found in everything from car exhaust to coal tar. The last time a water sample exceeded guidelines was in August. Only two samples have exceeded the drinking water guidelines since testing began. In July, a Husky Energy pipeline near Maidstone leaked up to 250,000 litres of oil into the river. Since then, a working group has been trying to remove the oil from the water as well as contaminated silt from the riverbanks. As of last week, the province estimated 88 per cent of the oil had been cleaned up.Last week, the Water Security Agency (WSA) gave North Battleford and Prince Albert permission to start drawing drinking water from the North Saskatchewan River once again. However, the WSA said the new contaminated water test will not impact plans to get the plants up and running again."(The oil) is attaching to sediments," said agency spokesperson Patrick Boyle. "So, the water treatment plant can efficiently remove the oil because it's attaching to the sediments and essentially doing what the plant is designed to do." The tests also showed two new samples that exceeded aquatic life guidelines, bringing the number to 22.As well, 28 more samples of sediment were found to exceed guidelines. Those guidelines are meant to protect organisms that live on the bottom of the river, and are an integral part of the aquatic food chain. Ultimately, the results aren't shocking to the agency."I don't think anything we've seen here is a surprise to us right now based on the testing that we've seen so far," said Boyle. "It's something that we're continuing to watch."The previous time the province issued a water report was September 9, 2016. The next tests are scheduled for late September/early October.

SHELL'S OFFSHORE GEAR FAILURE COULD CREATE 'ARTIFICIAL REEF'

Company accidentally dropped 2-km pipe off the coast of Nova Scotia

Shell Canada has a decision to make. The offshore oil and gas company must decide whether to retrieve or abandon a two-kilometre pipe it accidentally dropped off the coast of Nova Scotia, and present its choice to the offshore regulator for approval.

A new report offers the first official third-party overview of what's at stake.

The report was prepared by Stantec Consulting Ltd. to compare the environmental effects of two options for the pipe: leave it or retrieve it.The report lists the pros and cons of each option.Retrieving the pipe, known in the industry as a riser, means cutting it into pieces, digging into the sand beneath each piece, attaching a strap and hauling it to the surface.The whole process could take up to six months, the report estimates. It could take an additional month to retrieve a specialized connector, called a "lower marine riser package".While this option removes the riser from the ecosystem, there's a risk that cutting it into pieces could release floating debris that would likely be lost at sea.

The alternative is to abandon the riser.This would leave the sea floor undisturbed, but adds the unpredictable potential of the equipment breaking apart or coming loose over time.According to the report, one minor benefit to abandoning the riser would be "creating an artificial 'reef effect' in an area otherwise generally devoid of hard substrate."

This report is the first piece of information in what will be a lengthy process.

"The eventual fate of the riser remains under review," Kathleen Funke, spokesperson for the Canada-Nova Scotia Offshore Petroleum Board (CNSOPB), said in an email yesterday."A definitive timeline for a decision has not been established," she said.

Environmental impact is just one of many factors that Shell Canada and the board must consider.They will also assess risks to safety of personnel, and consult with other federal departments who may have shared jurisdiction over this incident.For example, the Department of Fisheries and Oceans may have specific concerns under the Fisheries Act.

The other factor for Shell Canada is cost. The company will have to weigh the loss an expensive piece of equipment against the cost of hiring a specialized ship and crew to retrieve it. Both price tags could be in the tens of millions of dollars. A representative of Shell Canada confirms the company is still assessing its options and considering its next steps.This incident began in March.In rough weather, the riser broke free from a surface ship and fell to the bottom. As it landed, it snaked back and forth around the well head but did not cause

a leak or any damage to the equipment installed on the ocean floor.

That exploratory well has recently been shut down, with Shell Canada saying it did not find a commercial quantity of oil and gas.The company will continue with its approved plan of drilling a second exploratory well 120 kilometres from the first one.

Shell Canada's competitor, BP, will begin its offshore exploration process in 2018.

FOUR OIL AND GAS COMPANIES COULD GET EXCLUSIVE LIFETIME EXPLORATION RIGHTS IN N.W.T.

'A significant portion of the Central Mackenzie Valley is, for all intents and purposes, closed'.Four oil and gas companies are now poised to get the exclusive lifetime rights to explore a large swath of land — nearly 4,000 square kilometres — in the once-promising Canol shale south of Norman Wells.

Earlier this month, an expert panel tapped by the territory's oil and gas regulator, OROGO, confirmed that a well drilled and hydraulically fractured by ConocoPhillips in 2014 led to a "significant discovery" of hydrocarbons.

The decision paves the way for ConocoPhillips to acquire a significant discovery licence from Wally Schumann, the minister of Industry, Tourism and Investment. That kind of licence comes with no expiry date, meaning ConocoPhillips would have the exclusive rights to explore its parcel of land forever.But, partly because shale oil deposits are known to extend over vast amounts of land, the expert panel decided that other companies with exploration licences covering parcels close to Conoco's — Husky Energy, Shell and MGM Energy — can now also immediately apply to Schumann for significant discovery licences.Doug Matthews, an energy analyst and the former director of the N.W.T.'s oil and gas division, says the panel's all-in-one decision is hasty.

He says it puts the fate of the Canol shale oil play in the hands of only a few companies at an early stage of the shale's development. "A significant portion of the Central Mackenzie Valley is, for all intents and purposes, closed," says Matthews. James Fulford, the executive director of the independent Office of the Regulator of Oil and Gas Operations (OROGO), says the expert panel calculated the size of the significant discovery area based on evidence provided by all the companies, including drilling results and seismic data.But Matthews says he's worried that once the companies acquire these exclusive licenses, the land will sit idle.In March 2015, ConocoPhillips said it was not planning further work on its parcel for the foreseeable future."Although a significant discovery declaration and subsequent significant discovery licence is a positive indication for a play, it does not indicate commercial viability," said a spokesperson for ConocoPhillips at the time.