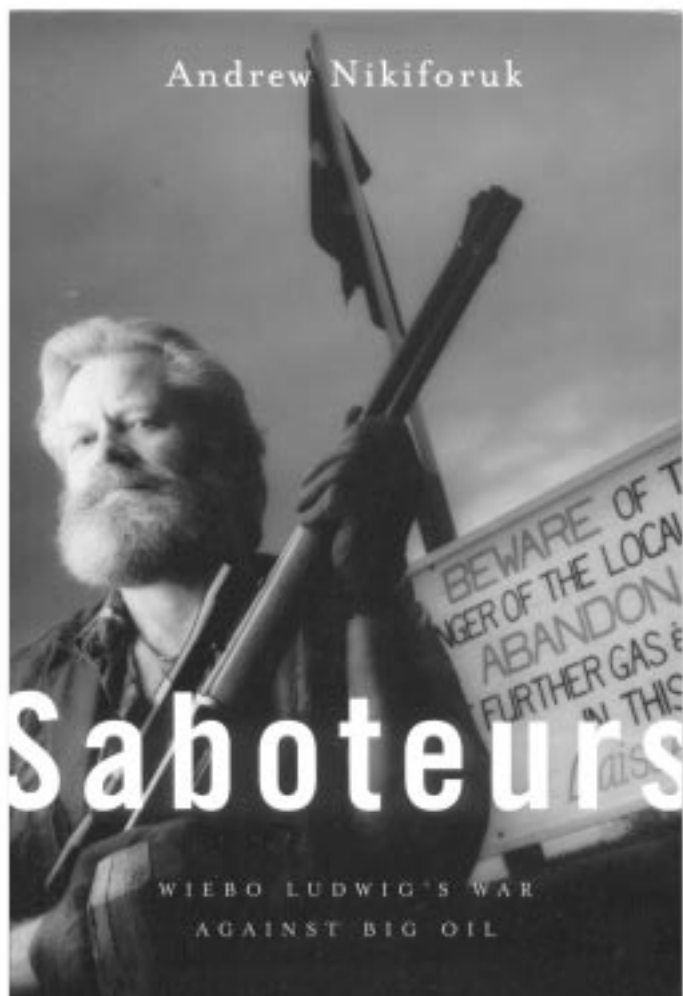


# Big Oil vs. Landowners

The community is polarized by *Saboteurs* and the issues it raises: conflicts between agriculture and oil companies, surface and subsurface land rights, sour gas and flaring. Is the book valid or not?

By Fred Stenson



**SABOTEURS**

BY ANDREW NIKIFORUK

Macfarlane Walter & Ross, Toronto

270 pages, \$34.99

Andrew Nikiforuk has done an admirable job of mapping the arc of Wiebo Ludwig's radicalization: from acid-tongued critic of the oil industry to convicted and jailed saboteur. Nikiforuk examines several themes of importance to Albertans along the way: the rights of individuals versus industry; the law as it applies to industrial pollution; the dangers posed by sour gas.

The story that will capture and hold most readers is the Ludwig story. The picture is of an intelligent man with ironclad opinions and a sandpaper personality. As a pastor in Ontario, he rapped his flock with harangues about male dominance and the evil of working mothers until they sent him down the road. The road led to a farm in the south Peace River country, which by Ludwig's account was a paradise until oil industry pariahs ruined it. The nearby Hythe-Brainard sour gas plant should have tipped him off that the area was not an industrial virgin.

As surface rights owner, Ludwig did not control the mineral rights to his land. When the mineral rights lessee wanted to drill, Ludwig stonewalled. The company made a deal with a neighbour, drilled the well close to the Ludwig property line, and struck sour gas. Once during the flaring of production test gas and once during a callous or careless illegal venting of raw gas, the Ludwigs got a serious dose of hydrogen sulphide. They became very ill. In the period following, two of the women miscarried, as did several farm animals.

Eventually, the Ludwig group fought back with more than words. So many nails appeared on the road that the local garage couldn't keep up with tire repairs. More dangerous acts followed: acid spilled on valves and instrument panels, slashed tires and, worst of all from a safety point of view, holes drilled in a gas pipeline. Finally, an oil battery was bombed. Even

those who think they know the story will probably be amazed at the scope and number of incidents. It is important to remember that Wiebo Ludwig was either not charged or not convicted of many of these crimes.

The story of the RCMP's attempts to pin the crimes on Ludwig is sad. Finally, they resorted to an agent, a Judas, who was to infiltrate the farm wearing a wire, but Ludwig seemed to sniff it out immediately. Then an oil company and the RCMP collaborated to blow up a well shack to give their agent credibility. Ludwig and his associate Boonstra were finally convicted, but, with the garbled audiotapes and failures of surveillance, it was not a Perry Mason-esque piece of work. Perhaps the most ludicrous bit of policing was giving Ludwig back his .30-30 rifle while on bail. It was a .30-calibre bullet that killed teenager Karman Willis in Ludwig's yard when she and her friends trespassed there for a lark. Another sad postscript is that a woman at the Ludwig farm gave birth to a deformed stillborn child.

Beyond the story are the issues, and, before discussing their treatment in *Saboteurs*, I should give my own experience relative to sour gas. In 1957, British American Oil built a gas plant two hundred yards upwind of our farmhouse in southern Alberta. It was the first attempt in the history of the world to process gas that was both highly sour (24 per cent H<sub>2</sub>S) and high pressure (1500 psi). When the plant was put on line, its enhanced metallurgy was eaten like cheese. Valves popped off in operators' hands. When they regularly put the gas stream to flare in self-defence, night turned to day; our house shook so hard the china rattled in the cupboard. Again and again, we were assured that all was well—as our new barbed wire snapped in our hands, as baby pigs took their first breath and died.

To their lasting shame, the Social Credit Government of Alberta did not shut that plant down, and neither did BA. They kept tinkering and producing while we remained their guinea pigs downwind. How do I know all this? Because in 1985, I wrote a book for the industry on the history of gas processing in Canada. Many thought I was a turncoat, and I didn't do it for free, but I also found out what had happened to us. When the lawyer who represented my family in an air pollution lawsuit read the book, he was amazed. Even though the book was pro-industry, it contained a variety of revelations about very dangerous equipment failures. "How did you get them to say this?" he asked. The only answer was that the people interviewed wanted to tell the story as it had been.

More recently, I wrote another book about an environmental company that got its start testing emissions at Alberta sour gas plants. The same company developed technology for the capture of sulphur from sour oil and gas that pushed the potential for that capture close to 100 per cent. When they proved what could be done, the government raised emission standards. These Albertans exported their technology everywhere on earth that sour gas is found. Their knowledge kept millions of tonnes of

sulphur out of the world's atmosphere, and I don't know anyone else who can claim that.

Hence, despite my childhood experiences, I am not an automatic enemy of the sour gas industry. Because the provincial government and BA chose royalties and profits over my health, I'm not a cheerleader either.

I was asked to review this book because the community is polarized on the issue. You're either powerfully on one side or the other. My job, then, is to give an opinion of *Saboteurs* that comes from somewhere in the middle.

Though it does come down hard on the oil industry, I found the book about 90 per cent fair. The story is quite balanced, and most incidents have a ring of authenticity. When the oil company tells the Ludwigs that raw gas can never enter the atmosphere near them, and it promptly does—it was a blast from the past for me.

The other 10 per cent of *Saboteurs* is the giving of background on the oil and gas industry and the effects of sour gas, and here I was less convinced. Studies are mentioned that prove terrible side effects from even low-level exposure to H<sub>2</sub>S, but they are not quoted with much exactitude. The Canadian Petroleum Communication Foundation also cites sour gas studies, done in Alberta by respected scientists at U of A and U of C, that deliver a much less damning story. *Saboteurs* does not mention these, and I found that disappointing. Also, there is little mention of the progress the Alberta industry has made in terms of emissions in the last 30 years. At times, it was suggested that we are worse off than the United States, and frankly, that is laughable. We had fairly tough sour gas regulations before the American EPA existed. Our technology has consistently led theirs. The difference is that we have more sour gas and sourer sour gas in Alberta.

**Albertans should take some of their anger at oil companies and aim it into the comfortable Tory pew. The government must take more responsibility for thrusting industry on top of its citizenry in return for fees and royalties.**

The one statement tossed off in *Saboteurs* as true that struck me as least likely is: "Men who have worked Alberta's sour gas fields tend to age rapidly and look old before their time." This is going to come as quite shock to all the apparently robust sour gas field veterans I have interviewed over the last 15 years.

I am inclined to agree with *Saboteurs* that the enforcement of regulations in Alberta could be better. Government

reductions in the number of people working for the Energy Utilities Board may be the cause. If you don't have effective enforcement, tough regulations won't do you any good. Also, "grandfathering" of older plants (allowing them to function at lower emission standards because that's what they were designed for) is inappropriate when health is at issue. There is a mention of the industry's voluntary reduction of flaring in Alberta and of a study of flaring that is currently being done, but Nikiforuk predicts it will come to nothing. I am personally impressed when industry goes beyond what the government insists they do. It shows they are listening and responding. As for whether the new study will come to naught, I hope Nikiforuk is wrong. If he is right, I promise to join the ranks of those who say the Alberta government is no longer trying to be a world leader in sour gas science and regulation.

Overall I am thankful to Andrew Nikiforuk for

presenting this story so thoroughly and well, for presenting all sides that would co-operate with him. He has convinced me that the petroleum industry is still allowed to drill and process sour gas far too close to human habitation, and is too tolerant of its own workers' mistakes. But let's put the blame where it really belongs. Oil companies are businesspeople scrambling for an opportunity. They lease the mineral rights they are allowed to lease, and who leases to them? The Government of Alberta. Albertans should take some of their anger toward the oil companies and divert it to the comfortable Tory pew. The government must take more responsibility for thrusting industry on top of its citizenry in return for fees and royalties, and calling it free enterprise. If health and peace are worth anything, it is not free.

**Fred Stenson** has written more than 130 produced films and videos, and eight published books of fiction and non-fiction.

## Excerpt from *Saboteurs*

**T**he industry flares a lot of gas in the Peace and throughout Alberta. Oil wells flare to burn off gas that doesn't warrant the cost of a pipeline. Gas plants flare to convert H<sub>2</sub>S into water and less-toxic sulphur dioxide. Both wells and plants often flare during routine cleanups, or emergency burn-offs of gas called "upsets." All in all, the province flared enough gas in 1990 to heat the city of Calgary for a year.

Most flares look like giant candles and roar like jet engines. Some burn off gases at ground level; others come with tall flare stacks that tower above the trees. Oil workers assured Ludwig and other farmers that flaring was just a safe and handy way to get rid of unwanted gas. Most downwinders, however, detested the practice and compared living near flares to sucking on the end of a car muffler.

On January 13, a low-pressure separator gauge glass burst at the Ranchmen's site. About 59 cubic metres of raw gas was released into the air. An H<sub>2</sub>S monitor picked up 8 ppm 200 metres east of the rig. The crew shut down the well in three minutes, held a safety meeting, and repaired the separator glass. "The volume emitted was extremely small, and normally a sight glass break is a non-event," says Terry Brooker. "We felt they could not smell it at their house."

Ludwig didn't learn about the accident until two years later, but he did smell the gas at the time. Indeed, he reported unusual odours to the ERCB's Grande Prairie office. A functionary there assured him there was nothing to worry about. The industry flared all the time and it was completely safe. The community smelled lots of rotten odours through January but,

reassured by the ERCB, Ludwig concluded "it was probably a case of nasal neurosis."

That spring, Harmony, the shepherdess, noticed reproductive problems in her flock. In her five years as a shepherdess she had seen only two abortions. In the spring of 1990 many of her ewes either aborted or delivered still-borns. At first she thought the newborn lambs couldn't breathe, so she gave them mouth-to-mouth. She quickly discovered that they were stone dead. More than 20 of 55 lambs born at Trickle Creek that spring died the same way. She gathered up their ungainly white bodies in a wheelbarrow and burned them on a wood pyre.

The goats also aborted like crazy—a phenomenon the family hadn't experienced before in the Peace. The goats and sheep grazed on the field downwind from the well, but nobody made the connection to sour gas at the time. Ludwig even rebuked Harmony for getting upset about the unusual die-off.

That same spring, Mamie Ludwig had a miscarriage in her first trimester. Mamie, who at age 45 showed no signs of menopause, had had 11 healthy pregnancies and no previous miscarriages.

Ludwig didn't know that similar livestock fatalities and human health problems had been occurring throughout rural Alberta for nearly 40 years. Although industry recognized that sour gas could be a killer at high levels, it persistently denied that chronic low-level emissions could cause trouble for people or animals. When the oil patch built the province's first sour gas plants in the 1960s, it described H<sub>2</sub>S emissions as "harmlessly unpleasant." The Canadian Association of Petroleum Producers told farmers, "The problem is mainly a psychological rather than a physiological one."

People downwind from gas plants challenged industry's claim, but with little success. In central Alberta, farmers readily noticed the invasion of three sour gas plants because of "black streaks of smoke in the sky." When they wrote letters to the government about foul odours, "cow asthma," dead calves, and retarded tree growth in the 1960s, the government promised to study "possible air pollution problems." One farm woman wrote, "Don't talk and study. Do something about pollution." Another got so totally disgusted with the runaround in 1968 that she scolded one official: "Detailed investigations' are largely confined to telling us there is no pollution problem, yet no explanation is given for the unprecedented incidence of emphysema and deformed feet in cattle, loss of pigs, dying trees and rusted metal. The fact that some farmers have been reimbursed by the company admits at least some damage. Then why not work on the assumption there is pollution damage?... We live here and we know there is a definite problem."

## Downwinders compare living near flares to sucking on the end of a car muffler.

When an Olds-area farmer lost 11 cattle grazing in a river-bottom pasture ( $H_2S$  is heavier than air and settles in low areas), the government reported that "no excessive amounts of air contaminants have been indicated." The company, of course, said there was no evidence that  $H_2S$  could kill cows, as companies had been saying for decades.

The people of Pincher Creek, west of Lethbridge, who lived downwind from two of the province's largest sour gas plants, experienced similar woes. The plants emitted 300 tonnes of  $H_2S$  a day into the air. Its corrosive properties ( $H_2S$  can eat away high-strength steel) also ensured that the plants leaked like a sieve at first. The resulting pollution killed pigs, rusted fences, peeled paint off houses, and caused reproductive problems in cattle. Whenever the plants flared and sputtered at night, the  $H_2S$  settled in coulees and river valleys, where many ranchers had their homes. The poison then crept indoors. To revive unconscious children bleeding from the nose, ranchers had to bundle them up and drive as quickly as possible out of the plume. Rather than suffer weekly insults of watering eyes, coughing and diarrhea, one mother, Janet Main, raised her children in a tent on a corner of her property unaffected by Shell's pollution. It wasn't unusual for many downwinders to find clothes hung up to dry peppered with holes from clouds of  $H_2S$ . Government and industry called it all a "riddle." Gulf and Shell steadfastly denied any connection

between ill health and sour gas emissions.

To document their claims, many ranchers kept detailed diaries in the 1960s and 1970s. Health effects on children and cattle almost always corresponded with flaring or upsets at the plants. Fifteen families eventually sued Shell for millions in damages. At the insistence of the Queen of the Netherlands (Shell was Dutch-owned), the company settled out of court and bought the land of each complainant. The company then placed a "caveat in running" on their lands for 99 years. No matter how many times the properties change hands, each new owner must sign a 25-page waiver holding Shell blameless for pollution.

In the early 1970s another rancher, Zahava Hanan, [see *Eye on Alberta*, p. 12] battled the Quirk Creek sour gas plant owned by Esso. The Energy Resources Conservation Board didn't take Hanan's health concerns seriously and called her "dearie." She accused the government of performing an "Emperor's clothes act" on the nightmarish qualities of sour gas, in which "the oil companies were the judge, jury, the trial and all." For her outspokenness, friends stopped visiting her. It wasn't proper to question Big Oil, the source of Alberta's considerable wealth. After pink and green fumes turned Hanan's extremities numb, she sold her ranch. "How do downwinders convey to those who have windows that do not open what it is like to have their pollutants invade one's being?" she asked.

In 1982 sour gas again made headlines in Alberta when a well near Lodgepole blew out and killed two workers. For 67 days it spewed poisonous gases on cattle and farmers downwind, all the way to Edmonton. Downwinders reported the same symptoms as had the sewer workers, shale oil miners, and Texas drillers: watering eyes, nosebleeds, memory loss, gastrointestinal ailments. Cliff Whitelock, a local rancher, noted that calves born before the blowout weighed 630 pounds before being weaned in the fall. Calves born during the blowout reached only 430 pounds. His next crop of calves had no immune systems and walked on their ankles. Many died of pneumonia. Whitelock has never had such problems since. Company air monitors showed that his cattle were breathing just 5 ppm of  $H_2S$ . Despite such stories, both industry and government maintained that the farmers and their animals were suffering a form of "social contagion." Because nobody liked the smell of  $H_2S$ , suggested industry experts, people and animals made themselves sick when they smelled it.

At a 1986 forum on the "effects of acid-forming emissions on livestock," several scientists dismissed industry's notion of psychosomatic symptoms. They argued that the Lodgepole incident turned local people and animals into sensitive biological assays. "If we were rats in an exposure chamber being examined by scien-

tists, we would have been diagnosed as being poisoned by the blowout emissions, a full-scale chemical disaster," said one veterinarian. The forum recommended more studies, better regulations, and improved air monitoring." The onus is almost exclusively on the livestock producer to prove that sour gas and acid-forming emissions have an effect on the health of animals and human beings. The Government of Alberta needs to take responsibility for safeguarding environmental health." The government didn't publish the forum's proceedings for five years; the onus has never changed.

By the time Ranchmen's came knocking on Ludwig's door, Alberta scientists had become the world's top researchers on hydrogen sulphide. In 1990 they knew that H<sub>2</sub>S, at low levels, altered the growth patterns of cells in a rat's brain responsible for learning and fine motor control. Eight-hour exposures of 1 ppm could cause bronchial hyperreactivity in guinea pigs. Hydrogen sulphide could also prevent coughing and wheezing in an animal, freezing its defence mechanisms and allowing it to stay in areas it would normally flee. After these studies were shared at an international forum on H<sub>2</sub>S, funding for research dried up in Alberta.

**"Ludwig achieved in six months what we couldn't do peacefully in 10 years," says Phyllis Boccock, a dairy farmer.**

The Alberta government, which has conducted perfunctory reviews of all oil and gas legislation and recommended different forms of mediation, has declined to tighten pollution standards. Some of the most glaring polluters are 61 sour gas plants exempted from 1988 pollution guidelines. They remain the largest source of sulphurous emissions and groundwater contamination in the province. The industry argues that taxpayers should pay for any upgrades.

During the Ludwig trial, Alberta and three other provincial governments agreed to spend \$16.2-million to study the health effects of flare emissions on human health, cattle and birds. "In particular, greater scientific knowledge is required in order to understand the potential impacts of flare emissions." No results from the study are expected before 2006.


After the trial the Alberta Energy and Utilities Board (EUB) denied Ludwig's latest request for an inquiry. Though the decision made no mention of the death of Abel Ryan or the toxicity of flaring gas near a community of 36 people, "the Board acknowledges that high levels of industry activity, a growing population, espe-

cially in rural areas, increasing sour gas development and changing values had led to a need for greater attention to landowner concerns at an early stage." The EUB acknowledged that in 1998 daily flaring within a 10-kilometre radius of Trickle Creek released enough gas to heat more than 5,000 homes.

The EUB has doubled its field inspections and set up an alternative dispute mechanism for landowners and oil companies. It has also published basic pamphlets on landowner rights and well reclamations, something never available to Ludwig. And in 2000 the EUB set up a committee to review sour gas regulations. The committee visited 12 cities and towns, including Grande Prairie. All the participants told them what Ludwig had been saying for years: that both industry and the regulator were "vague and unresponsive" on sour gas issues. Most denounced the EUB as ineffective and biased. Downwinders cited the same health problems their forefathers had cited 40 years earlier: respiratory illnesses, bloody noses, nausea, asthma, premature births, cancer, sick or dead livestock. Just about every community described the continued establishment of sour gas wells and plants in populated communities as deadly and irrational: "Greed and profit have been put ahead of public safety," testified one. Most also noted that current setback distances and emergency response planning provided little comfort or protection.

In its final report, in December 2000, the committee agreed "that further improvements must be made." Some of the committee's 87 recommendations included better health studies, improved field audits, smarter enforcement of existing laws, and greater neutrality "when dealing with the public." The report also pointed out some glaring failures: "The EUB's single mobile air quality monitor is not considered adequate to address the number of issues and concerns that exist." The EUB says it will implement all 87 recommendations and had already given "the highest priority to sour gas complaints."

No one in rural Alberta expects the recommendations to be acted on. In 2000 the regulator approved a sour gas well in a crowded Calgary suburb that even oil executives opposed, recertified a sour gas pipeline that had leaked and knocked down a senior citizen, and denied a public hearing on a sour gas well next to a provincial campground. Out of the thousands of applications, it rejected only one proposed sour well. In that case more than 100 landowners and farmers in Rocky Mountain House strenuously opposed a proposal by Shell. Most locals suspect the EUB would have approved the well if the National Film Board hadn't been making a documentary about how the regulator treats landowners. [See Reviews, p. 56.]



**Although industry has voluntarily reduced the amount it burns by 30 per cent since the Ludwig saga began, the province still flares or vents enough gas to heat half the city of Calgary every year.**

EYEWIRE

Flaring remains an unrelenting concern for rural Albertans living downwind of wells, batteries and gas plants. Although industry has voluntarily reduced the amount it burns by 30 per cent since the Ludwig saga began, the province still flares or vents enough gas to heat half the city of Calgary every year. Worldwide, Big Oil flares enough toxic gas into the air every year to heat more than 18 million homes.

New research at the University of Alberta recently found that the amount of raw toxic gases escaping into the air at a flare stack increases eightfold when the wind blows. In some parts of Alberta the wind never stops blowing. Scientists have also found that every flare site emits its own unique blend of developmental or neurological toxins. To date, the government of Alberta has introduced no legislation to force companies to conserve gas, to stop flaring, or to pay royalties on flared or vented gas.

Many farmers and ranchers in western Canada sympathize with the Ludwigs. Most don't support violence, but all agree that the mayhem brought national attention to a problem that industry and government have ignored for 40 years. "He achieved in six months what we couldn't do peacefully in 10 years," says Phyllis Boccock, a dairy farmer.

Alberta farmers and ranchers have recently scored several legal victories. Doug Jones, a rancher and former schoolteacher, won \$325,000 from Mobil Oil after a judge ruled that groundwater contamination had sickened his herd from 1982 to 1992. Jones believes that industry's refrain of "Deny, deny, deny"

doesn't work any more. Another landowner, who developed facial paralysis and neurological damage after being exposed to flare emissions, settled out of court and signed a confidentiality agreement. Wayne and Ila Johnston, whose herd was devastated by a pipeline leak, finally reached an agreement with Shell. [Lawyer] Richard Secord has now filed some two dozen tort claims against industry. "I'm getting to a point where I can't take on any more." The claims include gross water contamination, continuous flaring, cancerous benzene emissions, and sour gas leaks resulting in neurological damage and livestock losses.

Ludwig's campaign against flaring and sour gas has been taken up by a regional celebrity. In 2001 Kelly Sutherland, an eight-time world champion chuckwagon driver, started a campaign to limit flaring near people and their livestock east of Grande Prairie, after several companies lit up the countryside around his home like a birthday cake. He says that pollution from a flare stack can eat away a thoroughbred's lungs and turn him into a "roarer"—an animal starved of oxygen after running half a mile. He accused the companies of being indifferent to the concerns of rural people. "If you're living in Calgary, I don't suppose the flaring bothers you too much."

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