



Unlikely Allies

Cross-Sector Partnerships for Sustainable Development

JANET MARR (SPOG Coordinator): “Well, there were no means to communicate at all before, and each side felt the other was... it got to the point where you were thinking that they were evil, basically.”

Sundre Petroleum Operators Group

Transforming Resentment to Mutual Trust

The Sundre Petroleum Operators Group (SPOG) is an organization of stakeholders from industry, government and community groups that operates in a 1000 square kilometre area of central Alberta. The group includes representatives from the Alberta Energy and Utilities Board (EUB), 30 oil and gas companies and 15 communities who work together to effectively communicate information and solve issues in a manner that benefits all stakeholders

ALICE MURRAY (Community Affairs Associate – Shell Canada): “There was no real mechanism for the community to bring forward concerns or questions, and likewise the industry people.... were doing all sorts of good things, but there was no mechanism for communicating that back to the community.”



Rural Alberta used to be the exclusive domain of ranchers and farmers.

PHOTO: MARY GRIFFITHS, THE PEMBINA INSTITUTE

in the region. This type of cross-sector collaboration around oil and gas development is called a synergy group, and SPOG was among the first of these groups to emerge in Alberta. SPOG members are dedicated to creating a community through relationships based on trust, honesty and mutual respect between members.

BACKGROUND

Rural Alberta used to be the exclusive domain of ranchers and farmers. Their properties were large, and neighbours were often separated by many kilometres. As the oil and gas industry entered the area and began to search for energy resources, deals were struck between landowners and companies to secure company access to particular sites and along particular routes. Oil and gas companies felt they understood the social and



SPOG holds a workshop at the Caroline complex to share concerns and solutions about oil and gas development with community members

PHOTO: COURTESY OF SPOG

environmental concerns of the local population, and that they were adequately addressing these concerns.

Before synergy groups arose, it was difficult for local people to identify and communicate with industry. If landowners had an issue or question, they might go directly to the company. If discussions were unproductive, the landowner would then turn to the EUB, which would then talk to the company. The result was often that very little could be done, since everyone involved may have heard a different story or been given different information. Companies would forge ahead with projects unaware of, or in spite of, community concerns.

The Beginning of SPOG

In 1992, SPOG was exclusively made up of industry members who were working together to provide efficiencies in their emer-

ALICE MURRAY (Community Affairs Associate – Shell Canada): “Through the Covey training, we all just kind of gelled. We could see then that it was our problem, not someone else’s, and that we all had a part in it. It also gave us a common language to deal with the topic: “win-win” and “synergy” and those kinds of words.

gency response plans within the Sundre area. However, there was no real communication between the SPOG member companies and the community, and the community felt it had been ignored since oil and gas development began in the area during the late 1980’s. A number of incidents during the early 90’s reinforced this growing sense of frustration. In 1992, a sweet gas transmission line explosion in the Caroline area (close to Sundre) caused widespread panic and a surge in media attention. Meanwhile, sour gas development began in the Sundre area, and people were frightened of its lethal potential.

In 1995, when Shell Canada applied to the EUB to increase sour gas throughput in the Caroline plant, the community protested loudly during pre-hearing meetings and through the local media. The EUB, along with a traditional hearing, took the unprecedented step of mandating an “Interrogatory Process” to address general concerns about oil and gas development in the area. This process included hiring a communications consultant to record the results of interviews with local residents. The consultant’s report presented a stark picture of the tense relationship between the oil and gas industry and the communities in which they were operating. The community’s sentiment was clear: People were resentful, mistrustful, and unhappy with oil and gas development.

Because the current confrontational situation was extremely draining, the SPOG member companies decided to hold a communication workshop with other oil

SPOG VISION: *A long term relationship based on mutual trust, honesty and respect, by way of sharing pertinent information and resolving issues to benefit all stakeholders.*

DAVE BROWN (community representative of SPOG):
"We have the vision before us all the time; we have it up on the wall of our office. When people are meeting and start to get out of line, we point to that. Your attitude and approach – does that represent our vision? So we come back to our vision at all times; it wasn't thought of, put in a corner and forgotten about. It's at the forefront of everything we do."



and gas companies in the area as well as with community groups and individuals. As a result of this workshop, the SPOG vision was formed: To establish a long-term relationship (between SPOG members) based on mutual trust, honesty and respect, by sharing pertinent information and resolving issues to the benefit all stakeholders. In addition, organizations involved in the workshop agreed on a series of immediate action items and determined that the community, in the form of representatives from local organizations and different geographic areas, should be invited to join SPOG.

Immediately after completing the communication session, SPOG held a workshop for all members based on Stephen Covey's principle centered leadership model.¹ Keith Eflinger, a Shell manager at the time, proposed the Covey model because he had seen how effective it was at Shell. The half-day workshop at SPOG provided the now expanded membership with common language to address issues, and a way of communicating effectively across sectors. It also focused the group's collective attention on their commonly held goals for the development and operation of SPOG. This immediate focus on creating and maintaining a common vision and open lines of communication between all sectors began the trust-building process.

Communication and Vision

Members of SPOG believe the group's success can be traced to its unifying vision of sharing information, two-way

dialogue, and continued commitment to relationships based on trust and respect. The vision is a constant touchstone for all members of SPOG; it is proudly displayed in the SPOG building and on the website, is referred to at meetings and reviews, and guides all SPOG working groups. The vision reminds members of what they represent and how they have agreed to interact.



As a result of the Interrogatory Process instigated by the EUB, it was discovered that lack of communication between companies and the public was a recurring theme. SPOG addressed this issue by creating the quarterly newsletter, IMPACT. The newsletter has 6,000 subscribers and shares win-win stories from the field, new developments in the

Communication workshops like this one in Clearwater County have the goal of maintaining a common vision and open lines of communication between all sectors

PHOTO: COURTESY OF SPOG

¹ Principle centered leadership is based on the theory that both personal and professional relationships will be more effective when they are based on solid principles as opposed to distorted values and beliefs. More information is available at www.stephencovey.com/.



DAVE BROWN (community representative of SPOG):
"There are positive things about a lot of this [oil and gas development] too. Local people give me heck for saying this because then they say I'm with industry, but a lot of good things come out of it ... like there are lots of small towns in this area that probably would be pretty near dead if it weren't for the oil and gas industry."

REASONS FOR SUCCESS

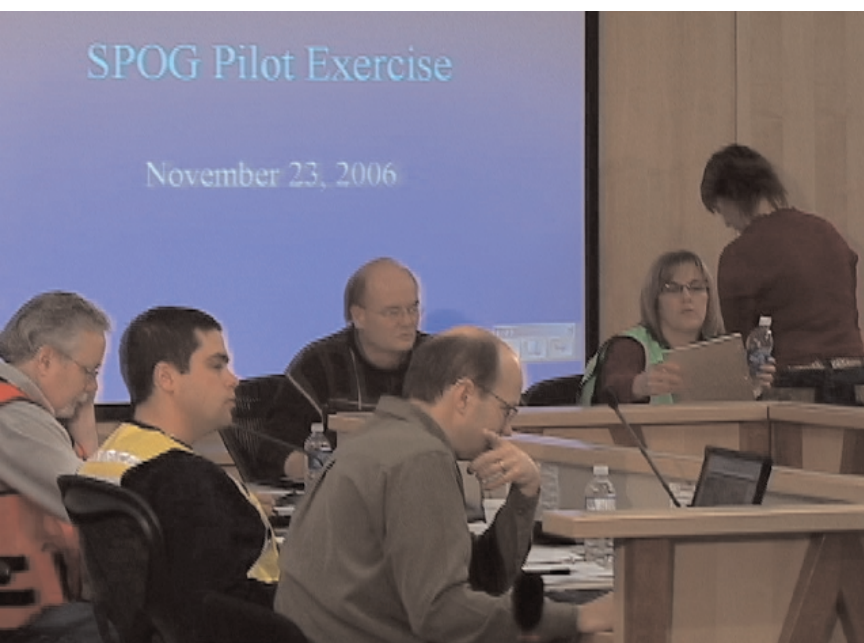
As a result of SPOG's work, the relationship between industry and community has improved greatly since the early 1990s. There have been seven instances where sour gas well applications have gone through the EUB without a hearing, which is nearly unheard of in Alberta. Over 100 public volunteers support the activities of the group. In 2003, SPOG was recognized by the Sundre community as "Ambassador of the Year." SPOG's activities include everything from the popular Community Days, which bring together SPOG member companies and the community to share information and celebrate successes, show support for other synergy groups, and highlight a variety of activities undertaken by working groups. The SPOG working groups focus on specific issue areas such as gas flaring and water quality.

The Caroline "B" Pool working group at SPOG provides one example of the success this collaborative approach has achieved in Sundre. When two companies that were not members of SPOG bought and began to develop wells in the Sundre region, a number of environmental concerns arose within the community. As a result, SPOG representatives from both the companies and the community came together to form the "B" Pool working group. The results of the working group included creating a development plan that was acceptable to both the companies and the community, as well as performance measures that would ensure environmental stewardship and orderly development of the resources. The benefits include an easier

industry, and information on ongoing projects. SPOG is currently looking at other ways of promoting its organizational learning through a synergy support centre and increased web presence. In addition, SPOG holds an annual general meeting, quarterly meetings for the Board of Directors, and subcommittee meetings, which may be held monthly or even weekly, to discuss emerging issues and upcoming events.

Community members and oil and gas workers participate in a workshop in Mountain View County.

PHOTO: COURTESY OF SPOG



ALICE MURRAY (Community Affairs Associate - Shell Canada):

"There was a media fellow I had a chat with the other day who was telling me how SPOG is an industry-funded, industry-run thing, just pulling the wool over the eyes of the community. And you know, I don't believe that for a second.... Permission comes from the community, and the partnership has to be mutually beneficial.... We truly sit and listen and sometimes we don't get what we want, but sometimes we get something that we hadn't even thought of."

DAVE BROWN (community representative for SPOG): "A lot of these synergy groups are folding up. The big issue that they formed for is gone. They've learned and they've gotten comfortable, and they know how to deal with things. They don't know what to do anymore so they disband.... So we're looking at becoming more community minded."



process for the companies as they apply to the EUB for permits, heightened environmental protection and performance measures, and improved relationships with local communities. Other successes of the Caroline working group include the adoption of environmental policy recommendations by the provincial government, numerous public presentations and information sessions, and best practices guides for oil and gas companies.

CHALLENGES

The multistakeholder collaborative approach adopted by SPOG presents some challenges for both companies and for communities. The pace of development, the appearance and disappearance of companies, and the buying and selling of companies make it difficult for the group to maintain an accurate list of companies operating in the area. Clearly SPOG cannot recruit companies if it is not aware of their operations within the area. When a complaint or question is logged in the office, it is difficult to determine exactly which company is responsible for the event or structure in question. As the community itself continues to change and grow, SPOG will constantly be tested to find new ways of engaging and integrating members. Ironically, SPOG's success means that in some cases the group has lost company representatives. Janet Marr, the SPOG administrator, notes: "I've had people from companies say to me... SPOG isn't the area we need to concentrate on anymore.... [W]e need to pull our community affairs people and put them up there

where things are active and we need to leave SPOG behind this time because we only have so many man [sic] hours to put towards this type of thing." This represents a real danger, since SPOG's strength, as Dave Brown states, is that all of the stakeholders in the area are "at the table at the same time, hearing the same stories, hearing and learning about each other and their issues." Presence at the table is what has so effectively built the trust and transparency that are integral to SPOG's success.

Companies also face many hurdles. Many medium- and smaller-sized companies struggle to find adequate human resources to address community issues. Attending synergy meetings in every region in which they operate presents a number of logistical and resource challenges. These smaller companies may also balk at paying the fee required to join SPOG, which is linked to the level of production in the SPOG area. Provincial regulations do not mandate that companies join the synergy groups in their operating area. Companies that have not joined SPOG, and that have raised environmental or community concerns, may destroy the delicate trust that has been established in a community, affecting all oil and gas operators in that area. Within a company there may also be uncertainty about the merits of a community partnership; certain employees may be unwilling to embrace the collaborative process, and the model may create tension between those who value the process and those who believe resources should be directed elsewhere.



ALICE MURRAY (Community Affairs Associate – Shell Canada): *We're very aware that SPOG is unique to this community, and another community can't just be SPOG and take SPOG and put it on. Each community has its own uniqueness and has to create its own way of being.*

Finally, SPOG itself continues to face suspicion in both industry and community circles that it is merely a front for industry. Media and community members who are distrustful of industry are quick to criticize instances where they believe SPOG is promoting or supporting oil and gas companies.

The Future

The synergy movement is gaining momentum in Alberta. The SPOG model is being researched and shared by academics and other community groups as an example of successful cross-sector collaboration. SPOG is a founding member of the newly formed Synergy Alberta organization, which will provide tools and support for synergy groups on a provincial scale. However, SPOG members are quick to point out that SPOG cannot be recreated in a new context by following a specific formula. SPOG has succeeded because of the organizations and individuals who have chosen to dedicate their energy to fulfilling SPOG's vision in unique local circumstances.

One of the strengths of SPOG is that its members continue to embrace their

future-focused outlook. Many other synergy groups in Alberta have disbanded after the original issue was resolved. Although the issues of poor communication and mistrust, which catalyzed the founding of the SPOG, have largely been addressed, the organization continues to seek out new ways to maintain relevance and connection within the area. SPOG recently completed a 15 year review using a World Café format. This format allows small groups of people to discuss important issues and then share their collected wisdom as a larger community to develop a co-created understanding of the issue or question and a process or solution. The World Café format enabled members to uncover a new series of interest areas for SPOG. These include educating the community, expanding the emergency response program, increasing the focus on marketing and becoming an environmentally friendly organization.

SPOG has expanded beyond its original mandate in response to the changing local context. While the process-based problem management model has successfully addressed most issues, new technologies, sources of energy and environmental issues will require continued flexibility. As a result of SPOG's clear and frequent communication with all stakeholders, these stakeholders recognize that the landscape is changing. This will allow SPOG to remain relevant and connected by creating new opportunities for organizational learning and growth.

DAVE BROWN (community representative for SPOG):

"We maintain an organization so that if someday some big issue or emergency comes up we can respond to it."