

Via Email

February 21, 2019

Calgary Head Office
Suite 1000, 250 – 5 Street SW
Calgary, Alberta T2P 0R4
Canada

Tidewater Midstream and
Infrastructure Ltd.

Mike and Faye Partsch

www.aer.ca

Attention: Ryan Connery

Dear Sir/Madams:

**RE: Request for Regulatory Appeal by Mike and Faye Partsch
Tidewater Midstream and Infrastructure Ltd. (Tidewater)
Application No.: 1914124; Approval No.: 261
Location: 00/08-25-71-7W6
Request for Regulatory Appeal No.: 1916093**

The Alberta Energy Regulator (AER) has considered Mike and Faye Partsch's request under section 38 of the Responsible Energy Development Act (REDA) for a regulatory appeal of the AER's decision to issue Directive 051 approval for the well with the unique well indicator of 00/08-25-071-07W6. The AER has reviewed Mr. and Ms. Partsch's submissions and the submissions made by Tidewater.

For the reasons that follow, the AER has decided that Mr. and Ms. Partsch are not eligible to request a regulatory appeal in this matter. Therefore, the request for a regulatory appeal is dismissed on the following grounds.

The applicable provision of REDA in regard to regulatory appeals, section 38, states:

38(1) An eligible person may request a regulatory appeal of an appealable decision by filing a request for regulatory appeal with the Regulator in accordance with the rules.
[emphasis added]

The term "eligible person" is defined in section 36(b)(ii) of REDA to include:

a person who is directly and adversely affected by a decision [made under an energy resource enactment]...

Reasons for Decision

The approval is an appealable decision and your request for a regulatory appeal was filed in accordance with the rules. Mr. and Ms. Partsch did attempt to file a statement of concern within the 30 days of public notice of the application; however that statement of concern was not accepted because the Directive 051 application was approved on an expedited basis, according to the AER Rules of Practice section 5.2(2). The AER accepts this as a reasonable explanation for the failure to file a statement of concern.

However, for the reasons that follow, the AER has decided that Mr. and Ms. Partsch are not directly and adversely affected by the decision.

Mr. and Ms. Partsch have raised concerns that Tidewater's Gas Storage Scheme (Approval No.12203C) into the Dimsdale Paddy A Pool should be classified as a "pressure vessel". The AER notes that the decision now appealed relates to the narrow issue of whether the well with the unique indicator of 00/08-

25-071-07W6 meets the requirements of Directive 051. The AER confirms that well 00/08-25-071-07W6 meets all Directive 051 requirements for injection operations, including requirements for well integrity.

Further, the relevant gas storage reservoir scheme is not itself a “pressure vessel”. The existing scheme approval (12203C) has a maximum allowable reservoir pressure which is lower than the initial pressure of the reservoir, and the gas storage scheme will not be pressured up to or beyond the initial pressure of the pool. Any risk of fracturing the reservoir rock is mitigated by the Maximum Wellhead Injection Pressure (MWHIP) assigned to the approval.

Given the foregoing, the AER finds that Mr. and Ms. Partsch have not shown they are directly and adversely affected by the decision that the well meets Directive 051 requirements. Accordingly, the AER dismisses the request for regulatory appeal.

Sincerely,

<original signed by>

Michael Teare,
Senior Advisor, Reserves, Science & Evaluation

<original signed by>

Paul Ferensowicz,
Senior Advisor, Industry Operations

<original signed by>

Marcus Ruehl,
Senior Advisor, Authorizations