

Via Email

June 7, 2019

Tidewater Midstream and  
Infrastructure Ltd.

**Mike Partsch**

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

[www.aer.ca](http://www.aer.ca)

**Attention: Ryan Connery**

Dear Sirs and Madam:

**RE: Request for Regulatory Appeal by Mike Partsch  
Tidewater Midstream and Infrastructure Ltd. (Tidewater)  
Application No.: 1911321; Approval No. 12203E  
Locations: 08-25-071-07 W6M; 13-25-071-07 W6M; 02-35-071-07 W6M  
Request for Regulatory Appeal No.:1919481**

The Alberta Energy Regulator (AER) has considered Mike Partsch's request under section 38 of the *Responsible Energy Development Act* (REDA) for a regulatory appeal of the AER's decision to issue Amending Approval No. 12203E (the "Amending Approval"). The AER has reviewed Mr. Partsch's submissions and the submissions made by Tidewater.

The AER has reviewed the wording of the Decision Letter sent to Mr. Partsch dated February 27, 2019 and can confirm that the Decision Letter stated in error that the maximum allowable reservoir pressure was lower than the initial reservoir pressure. In fact, the approved pressure is no higher than the initial reservoir pressure. However, the Decision Letter correctly stated that the reservoir is not in itself a pressure vessel, and any risk of fracturing the reservoir rock is mitigated by the Maximum Wellhead Injection Pressure (MWHIP) assigned to the approval.

For the reasons that follow, the AER has decided that Mr. Partsch is 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]

### **Reasons for Decision**

The Amending Approval is an appealable decision and Mr. Partsch's request for a regulatory appeal was filed in accordance with the rules.

Therefore, the key issue is whether Mr. Partsch is an eligible person within the meaning of s.38(1) of REDA.

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]...

The Amending Approval is a decision under an energy resource enactment. The question then is whether Mr. Partsch is a person who may be directly and adversely affected by that decision.

The decision removed the maximum gas injection rate from the approval. All other terms and conditions of Approval 12203D remained the same.

Mr. Partsch submits that Tidewater's entire gas storage system should be pressure tested to guarantee there are no leaks prior to it being put into service, and that the system should be retested after all wells are drilled to ensure that reservoir integrity has been maintained.

In relation to these concerns, the AER notes that reservoir and wellbore containment of the gas storage system are addressed by both geological and engineering controls. The existence of the initial gas pool over geological time confirms the existence of a trapping mechanism and containment. Engineering controls currently in place include annual reservoir pressure surveys under *Directive 040* and annual packer isolation tests under *Directive 051*.

Further, these concerns relate generally to Tidewater's gas storage project, are outside the scope of and do not relate specifically to Amending Approval. Mr. Partsch has not indicated whether or how he will be impacted by the Amending Approval.

Given the foregoing, the AER finds that Mr. Partsch has not shown he may be directly and adversely affected by the Amending Approval and therefore is not an "eligible person" under section 36(b)(ii) of REDA. Accordingly, the AER dismisses the Request for Regulatory Appeal.

Sincerely,

<Original signed by>

Jason Brunet,  
Director, Integration & Strategic Proj, Science, Evaluation & Innovation

<Original signed by>

Michael Teare,  
Senior Advisor, Reserves, Science, Evaluation & Innovation

<Original signed by>

Scott Fallows,  
Senior Advisor, Authorizations