

189	<p style="text-align: center;">THE ALBERTA ENERGY REGULATOR PROCEEDING ID NO. 436</p> <p style="text-align: center;">IN THE MATTER OF the Regulatory Appeal by Obsidian Energy Ltd. of the Alberta Energy Regulator's decision to issue an Environmental Protection Order to Obsidian Energy Ltd., pursuant to Sections 113 and 24 of the Environmental Protection and Enhancement Act On March 23, 2023 (Regulatory Appeal 1943624)</p> <hr/> <p style="text-align: center;">AER PROCEEDING VOLUME 2</p> <hr/> <p style="text-align: center;">Calgary, Alberta November 29, 2024</p>	190				
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Proceedings taken at the Govier Hall, Calgary, Alberta	
November 29, 2024 Morning Session	
A. Bolton	The Chair
B. Zaitlin	Hearing Commissioner
T. Stock	Hearing Commissioner
B. Kapel Holden	AER Counsel
O. Chijioke	AER Counsel
A. Huxley	AER Counsel
(Via Videocast)	
A. Lung	AER Staff
E. Arruda	AER Staff
M. Rahimabadi	AER Staff
P. Fitzpatrick	For Regulatory Compliance Branch
J. Allison	For Regulatory Compliance Branch
A. Hall	For Regulatory Compliance Branch
D.P. Langen	For Obsidian Energy Ltd.
A. Barrington	For Obsidian Energy Ltd.

193	<p>1 K. Di Rocco, CSR(A) Official Court Reporter</p> <p>2</p> <p>3 (PROCEEDINGS COMMENCED AT 9:00 AM)</p> <p>4 THE CHAIR: Thank you. Please</p> <p>5 be seated.</p> <p>6 Good morning, everyone. I'll just briefly</p> <p>7 talk about the plan for the day, and then I'll</p> <p>8 see if there's any other preliminary matters</p> <p>9 that counsel wants to raise.</p> <p>10 So plan for this morning is to do --</p> <p>11 continue CLM's cross on the confidential</p> <p>12 information on the record. If the Panel has</p> <p>13 any questions that it needs to ask on the</p> <p>14 confidential matters, we'll do that at the end</p> <p>15 of CLM's cross before we go back to the public</p> <p>16 session.</p> <p>17 Then we'll return to the public session,</p> <p>18 and we'll ask the remainder of the questions in</p> <p>19 public. And then once the cross-examination is</p> <p>20 done, of course, there will be an opportunity</p> <p>21 for redirect by Obsidian's counsel.</p> <p>22 Are there any preliminary matters that</p> <p>23 Counsel want to raise before we start?</p> <p>24 P. FITZPATRICK: Morning, sir. Just</p> <p>25 one briefly. I was realizing in -- in</p> <p>26 reviewing things last night that there was a</p>	194	<p>1 question I put to Dr. Verdon -- Verdon</p> <p>2 yesterday that I think was phrased unfairly to</p> <p>3 him, and I wanted to give him an opportunity</p> <p>4 to -- to speak to -- to it during the public</p> <p>5 session before we go in camera because that</p> <p>6 testimony was -- was during the public session.</p> <p>7 THE CHAIR: Okay. We can do</p> <p>8 that before we go into the in-camera session.</p> <p>9 Mr. Langen, any matters?</p> <p>10 D.P. LANGEN: Good morning,</p> <p>11 Mr. Chair and Commissioners.</p> <p>12 Just one preliminary matter. Yesterday</p> <p>13 evening, at the close of the hearing day,</p> <p>14 Mr. Fitzpatrick inquired as to whether or not</p> <p>15 we can provide him with a copy of the</p> <p>16 PowerPoint presentation, which is Exhibit 95,</p> <p>17 in PowerPoint application form, soft form,</p> <p>18 because it was filed in -- in Adobe, as you're</p> <p>19 aware. We did that yesterday afternoon around</p> <p>20 4:00.</p> <p>21 He communicated with us, I think, that he</p> <p>22 noted that there were perhaps some</p> <p>23 inconsistencies and -- as I understand it, with</p> <p>24 respect to formatting. So we're quite happy to</p> <p>25 put that PowerPoint application, the soft copy,</p> <p>26 on the record if my friend would like or if you</p>
195	<p>1 would like. We're happy to do that. And</p> <p>2 that'll clear things up, I would think.</p> <p>3 THE CHAIR: Okay. Well, maybe</p> <p>4 just to ensure there's -- no issues arise down</p> <p>5 the road, we should just put it on the record,</p> <p>6 if that's acceptable to you, Mr. Langen.</p> <p>7 D.P. LANGEN: It is, yes. And</p> <p>8 Mr. Lung has a copy of it, so I'm assuming he</p> <p>9 does not need us to send him another copy.</p> <p>10 THE CHAIR: Okay. Can we get an</p> <p>11 exhibit number for that.</p> <p>12 O. CHIJOKE: The next exhibit</p> <p>13 number will be 96.0.</p> <p>14 THE CHAIR: Okay. 96.0.</p> <p>15 D. LANGEN: Thank you,</p> <p>16 Mr. Chair.</p> <p>17 THE CHAIR: Okay. Thank you.</p> <p>18 EXHIBIT 96.0 - Obsidian Witnesses</p> <p>19 Opening Statement – PowerPoint</p> <p>20 Version</p> <p>21 THE CHAIR: Okay.</p> <p>22 Mr. Fitzpatrick, let's finish up the open</p> <p>23 cross, and then -- and then we'll deal with the</p> <p>24 in camera.</p> <p>25 P. FITZPATRICK: Very good. Thank</p> <p>26 you, sir.</p>	196	<p>1 If we could bring up Exhibit Number 50.06,</p> <p>2 page 129.</p> <p>3 AMY FOX, MEHRAN POOLADI-DARVISH, JAMES VERDON,</p> <p>4 STEVE CHARBONNEAU, JOHN MCGILVARY, FIONA</p> <p>5 MARSHALL, Previously Affirmed</p> <p>6 DEREK BOECKX, Previously Sworn</p> <p>7 P. Fitzpatrick Cross-examines the Obsidian</p> <p>8 Energy Ltd. Witnesses</p> <p>9 Q P. FITZPATRICK: And on the</p> <p>10 right-hand column, there's the paragraph that</p> <p>11 refers to: (as read)</p> <p>12 High-volume, e.g., greater than 26,000</p> <p>13 cubic metres per month.</p> <p>14 And -- and yesterday, Dr. Verdon, when I asked</p> <p>15 you about that, I referred back to the charts</p> <p>16 in terms of the injection rates at the Obsidian</p> <p>17 well.</p> <p>18 A J. VERDON: M-hm.</p> <p>19 Q And -- and I think I phrased the question as</p> <p>20 in terms of the Obsidian well injecting at</p> <p>21 20,000 cubic metres per month more. And I was</p> <p>22 realizing last night that -- that the chart in</p> <p>23 the slide deck is in barrels rather than cubic</p> <p>24 metres.</p> <p>25 And I wonder if we could also now call up</p> <p>26 the slide deck, Exhibit 95, and go to Slide 22</p>

197	<p>1 and 23.</p> <p>2 A Yes.</p> <p>3 A. LUNG: Can you repeat what</p> <p>4 slide you need, please.</p> <p>5 P. FITZPATRICK: 22.</p> <p>6 Q P. FITZPATRICK: All right. So 22,</p> <p>7 and it's also the same in -- in 23 that you see</p> <p>8 all that's on the left side of the charts are</p> <p>9 in barrels rather than in cubic metres.</p> <p>10 And -- and so, with that in mind, I wanted</p> <p>11 to ask you -- or give you another opportunity</p> <p>12 to answer the question in terms of whether, in</p> <p>13 your view, the Obsidian injection well is a</p> <p>14 high-volume injection well.</p> <p>15 A J. VERDON: Thank you for -- for</p> <p>16 that opportunity. I -- I -- I realize that I</p> <p>17 had also not paid attention to the units on</p> <p>18 that plot. So thank you for bringing my</p> <p>19 attention to it.</p> <p>20 The conversion from barrels to metres cubed</p> <p>21 is -- is a factor of naught .159. So I've just</p> <p>22 very quickly run up the calculation here. So</p> <p>23 the -- so the high rates within that well are</p> <p>24 about 80,000 barrels, which corresponds to</p> <p>25 12,000 -- roughly 12,000 metres cubed a month.</p> <p>26 And so it's sort of a little bit below what we</p>	198	<p>1 would regard as being a high-volume well.</p> <p>2 Q Understood. Close but not quite?</p> <p>3 A Yeah.</p> <p>4 Q Understood.</p> <p>5 P. FITZPATRICK: Okay. That's all I</p> <p>6 wanted to clarify with Dr. Verdon.</p> <p>7 A J. VERDON: Thank you.</p> <p>8 THE CHAIR: Okay. Thank you.</p> <p>9 So let's just talk a little bit about in</p> <p>10 camera. So the plan is, of course, we'll shut</p> <p>11 off the video, and we will make sure there's</p> <p>12 nobody in the room that hasn't signed a</p> <p>13 confidentiality undertaking.</p> <p>14 I mentioned yesterday that Amanda Huxley,</p> <p>15 who is AER counsel, was monitoring or is</p> <p>16 monitoring via the video feed. When we shut</p> <p>17 off the video feed, she won't be able to</p> <p>18 monitor the proceedings.</p> <p>19 If it's acceptable to the parties, we were</p> <p>20 going to just place a phone by a speaker, and</p> <p>21 hopefully she would be able to hear the</p> <p>22 testimony. And I'll just confirm with her that</p> <p>23 she's the only person in the room, and there's</p> <p>24 nobody there with her. So if the parties can</p> <p>25 just comment on that.</p> <p>26 D.P. LANGEN: Thank you,</p>
199	<p>1 Mr. Chair. That's absolutely acceptable.</p> <p>2 P. FITZPATRICK: Fine with us as</p> <p>3 well, sir.</p> <p>4 THE CHAIR: Okay. Thank you.</p> <p>5 So I think Mr. Lung has a phone.</p> <p>6 Ms. Huxley, are you able to hear us?</p> <p>7 A. HUXLEY: Yes, I am. Thank</p> <p>8 you, Mr. Chair.</p> <p>9 THE CHAIR: Okay. And are --</p> <p>10 can you confirm that you're the only person</p> <p>11 listening to the phone? There's nobody else in</p> <p>12 the room with you?</p> <p>13 A. HUXLEY: I can confirm I'm</p> <p>14 all alone right now.</p> <p>15 THE CHAIR: Okay. Thank you.</p> <p>16 I think, with that, we can proceed with the</p> <p>17 in camera. So we just need to check the</p> <p>18 gallery to make sure. I don't see anybody that</p> <p>19 I'm aware of, but maybe if counsel and -- and</p> <p>20 hearing services can just compare it to the</p> <p>21 list of undertakings. Okay.</p> <p>22 D.P. LANGEN: I think we're good,</p> <p>23 Mr. Chair.</p> <p>24 THE CHAIR: Okay. With that, we</p> <p>25 can turn off the video feed, if we have not</p> <p>26 already. Maybe you can just advise when that</p>	200	<p>1 has been done so we don't start prematurely.</p> <p>2 (PUBLIC PROCEEDINGS ADJOURNED)</p> <p>3</p> <hr/> <p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p> <p>26</p>

1 Certificate of Transcript:

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3 We, A. Porco and K. Di Rocco, certify that  
4 the foregoing pages are a complete and accurate  
5 transcript of the proceedings taken down by us  
6 in shorthand and transcribed from our shorthand  
7 notes to the best of our skill and ability.

8 Dated at the City of Calgary, Province of  
9 Alberta, this 30th day of November 2024.

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