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<p style="text-align: center;">THE ALBERTA ENERGY REGULATOR PROCEEDING ID NO. 434</p> <p style="text-align: center;">IN THE MATTER OF the Regulatory Appeal of the Reasonable Care and Measures Order dated March 30, 2023 (Regulatory Appeal 1943516)</p> <p style="text-align: center;">AND IN THE MATTER OF the Regulatory Appeal of the Suspension Order dated June 5, 2023 (Regulatory Appeal 1943521)</p> <hr/> <p style="text-align: center;">AER PROCEEDING VOLUME 2</p> <hr/> <p style="text-align: center;">Calgary, Alberta November 28, 2023</p>	<p style="text-align: center;">TABLE OF CONTENTS</p> <p>1</p> <p>2</p> <p>3 Description Page</p> <p>4</p> <p>5 November 28, 2023 Morning Session 278</p> <p>6</p> <p>7 Opening Remarks 278</p> <p>8 RICK IRONSIDE, BEN LI, Previously Sworn 280</p> <p>9 WYMAN PEDERSON, KIM SERGINSON, AMY ZHANG, 10 Previously Affirmed</p> <p>11 Direct Evidence of AlphaBow Energy Ltd. 280</p> <p>12 Submissions by Mr. Stapon 352</p> <p>13 Submissions by Ms. Ross 352</p> <p>14 Submissions by Mr. Stapon 353</p> <p>15 Submissions by Ms. Ross 354</p> <p>16 Decision 355</p> <p>17 Cross-examination Evidence of AlphaBow 356 18 Energy Ltd.</p> <p>19</p> <p>20 November 28, 2023 Afternoon Session 385</p> <p>21</p> <p>22 Discussion 385</p> <p>23 RICK IRONSIDE, BEN LI, Previously Sworn 387</p> <p>24 WYMAN PEDERSON, KIM SERGINSON, AMY ZHANG, 25 Previously Affirmed</p> <p>26 Cross-examination Evidence of AlphaBow 388</p>
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<p style="text-align: right;">279</p> <p>1 a seat. I have a few opening comments.  2 So good morning, all. Welcome back to the  3 hearing. Before we start, I want to remind you all  4 that the hearing is being audiocast on the internet,  5 and so anyone in the hearing room, not simply the  6 people who are on the mics, may be heard through the  7 audiocast. So if you have any concerns, please  8 approach our hearing services staff to discuss with  9 them.  10 I'm advised the transcripts from yesterday are now  11 available for the parties. They are available on the  12 SharePoint site for this proceeding. For all others,  13 they're accessible through aer.ca, and -- so they will  14 be for each coming day.  15 And I want to remind everyone for today that  16 starting early afternoon, we are scheduled to hold the  17 remainder of today's session as an in-camera  18 proceeding. So when we reach that point, we'll take a  19 short break to clear the hearing room and prepare for  20 the in-camera session. We expect that that session,  21 the in-camera session, will end at the close of today's  22 hearing and that we will return to publicly open  23 proceedings tomorrow morning.  24 So are there any matters to address before we  25 proceed?  26 MR. STAPON: Not yet, madam commissioner --</p>	<p style="text-align: right;">280</p> <p>1 or commissioners. Thank you.  2 THE CHAIR: Thank you. Please proceed,  3 then.  4 Mr. Stapon, looking at our schedule, we would  5 anticipate taking a break at about 10:15.  6 MR. STAPON: Thank you very much.  7 THE CHAIR: Thank you.  8 RICK IRONSIDE, BEN LI, Previously Sworn  9 WYMAN PEDERSON, KIM SERGINSON, AMY ZHANG, Previously  10 Affirmed  11 Direct Evidence of AlphaBow Energy Ltd.  12 Q MR. STAPON: Mr. Ironside, yesterday when  13 we broke, we were reviewing the work that you had done  14 to attempt to address the RCAM order of March 30th of  15 2023. And in the process of that review, did you, in  16 fact, go back and look at some of the commitments which  17 you understood to have been made by the AER or  18 allowances made by the AER in connection with  19 AlphaBow's ARO liability?  20 A MR. IRONSIDE: I did.  21 Q And in that regard, I wonder if we could turn up  22 Exhibit 8 at page -- or it's page 37 with respect to a  23 January 14, 2021, meeting.  24 MR. STAPON: I believe the Panel has it up  25 now.  26 Q MR. STAPON: Can you tell the Panel what</p>
<p style="text-align: right;">281</p> <p>1 was occurring at that meeting and refer to the meeting  2 notes, where appropriate.  3 A MR. IRONSIDE: So I believe we're looking for  4 the January 14th meeting, and it may be on page 38.  5 Q Page 38? Thank you.  6 Generally what was the subject matter of that  7 meeting?  8 A We were talking about our closure, but still we're not  9 on the right page. We're not quite back to the -- so  10 maybe it's the previous page. I'm not sure.  11 THE CHAIR: Mr. Ironside, could you please  12 turn on your microphone.  13 A MR. IRONSIDE: Oh, sorry.  14 THE CHAIR: Thank you.  15 Q MR. STAPON: We're looking at the  16 January 14th, 2021, meeting.  17 A MR. IRONSIDE: So we've gone back a little  18 too far now.  19 THE CHAIR: There's two numbers at the  20 bottom of each page. The larger number should be the  21 PDF page.  22 MR. STAPON: So there's a protected B17,  23 but there's a number 37 and 38 with respect to that  24 meeting, and it's Tab 5.  25 Q MR. STAPON: So we have the January 14th  26 meeting up, and we can see at the bottom that this</p>	<p style="text-align: right;">282</p> <p>1 number is 32, although mine is 37.  2 A MR. IRONSIDE: So I think we need -- I think  3 we need to go to the next page.  4 Q Okay. All right. And is that the page that you were  5 looking at?  6 A This is the correct meeting. I think maybe I'm just  7 having difficulty finding what I -- what I want to  8 find, so maybe we can go back up above this to the  9 previous page.  10 So -- so the -- the meeting is -- this is the  11 wrong meeting. January 14th, 2021, not January 14th,  12 2022, please.  13 Q So you're looking for January 14th, 2021. Page 37.  14 A So just please scroll down to the second part of that.  15 It's on page 38. So there's a few bullet points, both  16 above and below the one -- the one highlighted in  17 yellow, and this deals with mineral lease expiries and  18 our commitments under the area-based closure plan. And  19 at this meeting, we specifically gave a PowerPoint  20 presentation, and we specifically advised the AER that  21 AlphaBow was meeting its commitments with SRP funding.  22 We were just -- we were just beyond having gone through  23 the difficulties of COVID, and we had put -- the  24 company had put a -- a gargantuan effort into applying  25 for SRP funding, and we had been fairly successful in  26 that, and we had advised the AER in this meeting that</p>

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1 all of our -- all of our asset retirement obligation  
 2 commitments that we were making to the AER were going  
 3 to be, in this specific year, 2021, funded through SRP,  
 4 which we were very successful at.  
 5 And the point I want to make was that at no point  
 6 during this meeting or after this meeting did the AER  
 7 say that we could not use SRP funding to meet our --  
 8 our commitments, so we -- in 2021, on that basis, we  
 9 had made a commitment to the area-based closure  
 10 program. That was the basis on which we had made that  
 11 commitment, and -- and -- and I repeat, they -- we were  
 12 not advised by the AER that that was unacceptable.  
 13 Q So that you, in fact, advised the AER specifically that  
 14 you were going to use that funding for the ABC program  
 15 or the area-based closure program, and what reaction  
 16 did you get in that regard?  
 17 A That is -- to the best of our knowledge, that was fine.  
 18 And I -- I want to read the very statement that's in  
 19 the notes here. It says: (as read)  
 20 All closure work in 2021 will be funded via  
 21 SRP. Comment from Rick Ironside. If the SRP  
 22 goes the way we expect, then with the  
 23 extensions we are planning for, we could --  
 24 we could have enough benefit to become D13  
 25 compliant.  
 26 So we were trying to address all our -- all of our

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1 qualify for that extension.  
 2 Q And when you reviewed the March order, what was your  
 3 reaction to that?  
 4 A Well, maybe I could talk about prior to the March order  
 5 in July of 2022, when -- when AlphaBow was advised that  
 6 they were -- that -- that they needed to -- they were  
 7 requested to pay a deposit related to this 2021  
 8 area-based closure commitment. My advice to Ben at  
 9 this time is that I felt that this was just wrong, that  
 10 we had advised the AER in 2021 that we would be funding  
 11 that commitment through the SRP --  
 12 Q Yes.  
 13 A -- and in 2021, no one had suggested that there was any  
 14 problem with that.  
 15 But Mr. Li -- Ben's response was, Don't worry  
 16 about it, Rick. We -- we plan to -- to meet that  
 17 commitment. We're just going to -- we're just going to  
 18 do the work.  
 19 Q Right.  
 20 And so returning now to Exhibit Number 9, which is  
 21 the second set of documents prepared by -- or produced  
 22 by the Regulator, we were reviewing Tab Number 30, and  
 23 that is our May 12th letter. At page 239 it commences.  
 24 And we'd gotten to the -- sort of the AER specific --  
 25 the specific stated concerns at page 341.  
 26 MR. STAPON: So we'll need to bring up

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1 D13 mineral expiry issues, and -- and we were trying to  
 2 use our -- our success with the SRP program, the  
 3 site -- the federally funded site rehabilitation plan,  
 4 to achieve that.  
 5 Q And would you explain, then, for the record,  
 6 Mr. Ironside, what the D13 program -- you understood  
 7 what benefits or extensions it would provide to  
 8 AlphaBow.  
 9 A There -- there was extensions for both mineral expiries  
 10 pursuant to the area-based closure, and there was --  
 11 there was other elements under Directive 13 compliance,  
 12 but specifically with regard to the area-based closure,  
 13 we were expecting by having done this work that we  
 14 would have an extension of three years for mineral  
 15 expiries, which would have been -- since this was being  
 16 done in 2021, we were expecting an extension for 2022,  
 17 2023, and 2024, a three-year extension.  
 18 Q And what would that do to AlphaBow's mandatory  
 19 expenditures for asset reclamation, that is, if you --  
 20 those extensions had been obtained?  
 21 A Well, I think it -- it goes, more importantly, to the  
 22 requirement with the March order that we needed to  
 23 abandon all mineral expiry wells in six months. This  
 24 extension that we believed at the time we were making  
 25 the area-based closure commitment in the way we were  
 26 making, we believed at that time that we fully would

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1 Exhibit 9, page 341 -- or -- pardon me -- 241. I'm  
 2 sorry. The writing is very small.  
 3 THE CHAIR: Mr. Stapon, if it would be  
 4 helpful to you, the screen beside you does also show  
 5 the documents that are being brought up.  
 6 MR. STAPON: Okay.  
 7 Q MR. STAPON: So in that regard,  
 8 Mr. Ironside, I wonder if you could address briefly,  
 9 because the Panel apparently has read this information,  
 10 what you were telling me regarding the specific stated  
 11 concerns and in connection with, in particular, where  
 12 you say AlphaBow was compliant. Could you just run  
 13 through those briefly.  
 14 A MR. IRONSIDE: Sure. In this group, there  
 15 were eight concerns that were specific that we were  
 16 compliant. So at -- and that's --  
 17 Q This is at May 12th --  
 18 A Yeah.  
 19 Q -- of 2023.  
 20 A So AlphaBow -- at the time that this letter was  
 21 provided, AlphaBow was compliant with regard to all  
 22 declarations under Directive 67. We were compliant  
 23 with regard to having provided insurance coverage.  
 24 Q Yes.  
 25 A We were compliant with regard to having provided  
 26 appropriate information with regard to ongoing

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1 remediation of releases where there was specific  
 2 release numbers. I'm not going to read the release  
 3 numbers. That's -- I think if we scroll down, we can  
 4 see them.  
 5 Q Yes.  
 6 A It's Group 1, Concern 3. So we're going -- I'm going  
 7 through these concerns. So that's Group 1, Concern 3.  
 8 Q Yes.  
 9 A I'm going through each of the eight. So there was  
 10 four -- four spill circumstances where it was suggested  
 11 we hadn't submitted action plans or they'd been  
 12 delayed, but we had submitted them. The work was  
 13 timely and ongoing, and -- and there was some issue  
 14 around payment of a contractor, but we had agreed with  
 15 that contractor to revise payment terms where all  
 16 amounts were paid by March 30th.  
 17 With regard to the fourth concern, it was stated  
 18 that we were in contravention of reporting under the  
 19 Environmental Protection Act. I believe this is for  
 20 groundwater requirements and air monitoring, but all of  
 21 this reporting had been submitted into OneStop on  
 22 April 15th. There was a concern with regard to  
 23 AlphaBow unable to complete a remediation plan due to  
 24 lack of resources, and it was specific with regard to  
 25 spill number -- it's Number 201992713. In that  
 26 specific circumstance, we -- we had a large commercial

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1 dispute that's ongoing with Paramount, and that  
 2 circumstance, Paramount was trying to use road use as  
 3 leverage in that commercial dispute, and so they were  
 4 not allowing us access, but -- but we notified the AER  
 5 that the issues with Paramount were resolved and that  
 6 the fieldwork would start as soon as conditions would  
 7 allow.  
 8 Group -- the -- the Concern 6 was that -- it was  
 9 suggested that in an email March 9th, 2023, AlphaBow  
 10 had informed the AER that no groundwater monitoring was  
 11 completed in 2022 at a number of sites. First of all,  
 12 as it was previously discussed and stated, it was only  
 13 the Hastings Coulee -- one of the five sites -- that --  
 14 that had a -- had a requirement that something had to  
 15 be done in 2022, and that was because of the annual  
 16 reporting on Hastings Coulee, and that -- that  
 17 reporting was submitted on April 13th. In all other  
 18 sites, the -- the groundwater issues -- these are --  
 19 these are circumstances with a long history. These --  
 20 these -- there were no issues of this contamination  
 21 spreading, and it was largely dissipating over time.  
 22 So we were compliant on that group.  
 23 Concern 7, the AER had requested quarterly  
 24 financial statements, and in emails dated December 6th,  
 25 March 1st, and March 27th, these -- these statements  
 26 had been caught up and submitted.

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1 And the last concern of the eight concerns was  
 2 whereas the liability assessment report in OneStop  
 3 showed approximately 153 million estimated inactive  
 4 liability, we stated that we had reduced our overall  
 5 site count by 33 percent. We were actually TIER 1 in  
 6 inactive liability trend, and then AlphaBow had begun  
 7 its existence with a high level of inactive sites that  
 8 it was a burden that the -- that the company was doing  
 9 a very good job of diminishing and that with regard to  
 10 our custody and care, Item 7, AlphaBow expects  
 11 significantly to reduce the 153 million of estimated  
 12 inactive liability simply by providing submissions with  
 13 more accurate costs. So that was an undertaking we  
 14 intended to -- to undertake. So we believed that for  
 15 all of those eight concerns that we were -- they were  
 16 addressed and we were compliant.  
 17 Q Then you have a Group 2, and you describe that as a  
 18 "legitimate concern and a resolution plan". What is  
 19 that?  
 20 A Well, so the AER, when -- when they said that they were  
 21 concerned about something, we thought that it was  
 22 legitimate, and we were tasked to address all the  
 23 concerns and -- and provide a plan, and so this -- we  
 24 were -- we were submitting how we intended to address  
 25 those concerns, and in this group, there are two  
 26 concerns, just two, and so it says the Concern 1 is:

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1 (as read)  
 2 Whereas AlphaBow's field compliance rating  
 3 remains below industry average and has been  
 4 declining from 76 percent going on to 2023,  
 5 resulting in a further decline to 42 percent.  
 6 We -- we responded that a large percent of the  
 7 unsatisfactory inspections related -- related to new  
 8 requirements for emissions, tank inspections, and/or  
 9 gas measurement.  
 10 And -- and these three specific areas, we were --  
 11 we were making undertakings that we would remedy the  
 12 concerns by June 30th, 2023, and -- and those -- we  
 13 further addressed our plans to remedy those concerns in  
 14 Exhibit 2 to this letter, the RCAM plan.  
 15 Q And you, in fact, admitted that these concerns had not  
 16 been properly managed to date by AlphaBow?  
 17 A Yeah. I mean, I admitted that we hadn't done all the  
 18 tank inspections, that we had some gas measurement  
 19 issues that we were addressing, and that -- that new --  
 20 new requirements for emissions had meant that we were  
 21 playing catchup on some of those things, and --  
 22 Q You actually gave an RCAM plan as an exhibit in that  
 23 regard?  
 24 A Yeah. This -- that's the RCAM plan. There's more  
 25 detail as to our plans to resolve this concern in  
 26 the -- in the Exhibit 2, RCAM plan. That's to this

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1 letter.

2 Q And you have a second concern that you addressed on the

3 next page, that is, 243?

4 A Yes. This is a circumstance where on October 25th,

5 2022, the AER issued a notice of noncompliance to

6 AlphaBow for not immediately notifying the AER of a

7 pipeline leak as required under the Pipeline Act. And

8 the circumstance there was AlphaBow thought there was a

9 leak. So they were -- AlphaBow was investigating the

10 leak. And this is the same circumstance we discussed

11 where there was potentially a safety -- a near-miss

12 safety incident where the contractor that was doing

13 some excavation had scuffed the side of the -- the

14 coating on the pipe.

15 So we were -- we were trying to investigate this

16 leak, and this was happening, I believe, on a -- on a

17 Friday, and AlphaBow's vice president of operations

18 became aware, and there was some uncertainty. There

19 was two elements to this circumstance. One was the

20 circumstance where -- that we had the near miss and --

21 and the shutdown issue around the pipeline, but, also,

22 it was a non-lease circumstance, and AlphaBow's vice

23 president of operations determined that -- on the

24 Monday that any -- any circumstance where you have a

25 spill which is more than 1 metre of fluid is

26 reportable, and he determined at that time that the

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1 concerns that the AER had, because, you know, for

2 example, in the province of Alberta, I think there's

3 90,000 D13 wells.

4 Q Yes.

5 A And 30,000 of them are noncompliant, as I understand.

6 So a lot of companies are -- are struggling with D13

7 compliance, and -- and so these two issues relate to --

8 or these issues relate to predominantly D13 compliance

9 and mineral expiries.

10 Q And in the first paragraph under that particular

11 heading -- it's Group 3, Concern 1 -- you speak to the

12 issue of the three-year extension which you believe

13 that AlphaBow had obtained. Was that the same matter

14 that you testified about earlier this morning?

15 A Yeah. I believe in the balance of fairness, that

16 AlphaBow made a commitment, whether it was funded by

17 the SRP or whether you consider the fact that AlphaBow

18 then said, Okay. If the AER is going to move the

19 goalposts, change the requirements, we're still going

20 to do this and meet the commitment, that AlphaBow

21 should be entitled to the three-year extension. So

22 either we should have gotten the three-year extension

23 because we completed the work with SRP funds at the end

24 of 2024 or we should get credit for the fact that we

25 completed the work March of 2023 and should get a

26 three-year extension. And I think that's fair, because

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1 balance of probabilities was that there was a spill of

2 more -- more than 1 metre of fluid, so he reported it

3 on Monday.

4 Q So that the report should have gone in on the Friday,

5 and it went in on the Monday after determining that it

6 was a reportable incident?

7 A Yes.

8 Q But it was recognized as a real concern?

9 A Yes. I mean, you know, our -- our management team, our

10 vice president of operations, Jay Kleinsasser, is very

11 competent and -- and either knew or ought to have known

12 that it was reportable. I'm not sure -- I believe he

13 was aware that they were investigating a leak on the

14 Friday, and I'm not sure why he didn't report it.

15 Q And is Jay a practicing PEng?

16 A Yes, Jay is a practicing professional engineer.

17 Q Thank you.

18 I'd like you to address, then, the Group 3. What

19 was Group 3, which you sort of described? You said,

20 Here's where we believe we're compliant; here's where

21 we believe we have some concerns. And what did you

22 describe Group 3 as?

23 A We wanted to specifically set aside or -- the -- the

24 asset retirement obligations, the mineral expiries.

25 The D13 compliance is a -- we wanted to separate that

26 issue from what we were addressing as legitimate

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1 we're supposed to get that.

2 But manual twenty -- Manual 23, which was

3 published in February of 2023, seemed to change, again,

4 the goalposts and the requirements, and so now

5 Manual 23 basically states that if you don't do your

6 supplemental spend -- so, for example, if we don't do

7 our supplemental spend in 2022, then we would lose the

8 three-year extension.

9 Q That directive came out in 2023?

10 A It was published in February of 2023.

11 Q Okay. So right before the March order?

12 A Right before the March order.

13 And, again, you know, it makes it difficult, then.

14 So -- so this -- this -- this sort of circumstance

15 changes, and -- and, kaboom, here's an order telling

16 you, Well, you have six months to abandon all mineral

17 expiries. So we don't even have -- you know, a lot of

18 these mineral expiries require frozen ground to best

19 address and do the abandonments. And we don't even --

20 if we're given an order March 30th, we don't even have

21 a winter season in front of us to address any of the --

22 the mineral expiries that require frozen ground to

23 properly address.

24 Q Right.

25 And then you speak to Group 3, Concern 2 briefly.

26 Can you undertake -- or advise what you're talking

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1 about there.

2 A Well, the circumstance here is that according to the

3 AER, they're -- they're stating that the notices of

4 noncompliance for 24 mineral lease expiries have past

5 without AlphaBow coming into compliance, but, again, to

6 reiterate, we thought we had extensions, and this was

7 just a difficult circumstance.

8 Q What about Group 3, Concern 3? What's that all about?

9 A So this is Directive 13 compliance, and the -- and

10 the -- the statement -- the "whereas" in the

11 March order stated: (as read)

12 Whereas on March 28th -- as of March 28th,

13 2023, the inactive well list available on the

14 AER website has identified 748 wells as

15 noncompliant with Directive 13 suspension

16 requirements or well requirements.

17 And we're just responding with what it's going to take

18 and what our plans are to bring these wells into

19 compliance as -- as rapidly and as efficiently as we

20 possibly can.

21 Q You also speak to the differential between what has

22 occurred on March 28th on the website versus May 3rd.

23 What's that all about? It's the more recent data on

24 the -- in your website.

25 A Well, so -- so all that is really showing is that the

26 amount of wells that were noncompliant March 30 --

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1 amount of funds on asset retirement, and that extension

2 allows you to just monitor the well and -- and to check

3 surface pressures and that sort of thing, and since

4 these wells don't pose a high risk if they're sweet and

5 they don't flow to surface or -- or are low pressure,

6 this is a reasonable approach. There are a lot of

7 wells and a lot of companies that qualify for these

8 extensions.

9 So AlphaBow was committing here to submitting at

10 least one area-based closure project for 2023 and

11 one -- and 2024, which we've done, and to follow up by

12 seeking as many of those extensions as we could qualify

13 for. This was the most efficient mechanism that we

14 could undertake to become compliant with Directive 13.

15 Q And if we go --

16 A I'm --

17 Q -- to the next page.

18 A Sure.

19 Q That's page 244. You say that there's a response to

20 the reasonable care and measures Items 1 and 2.

21 What -- what are you referring to? Is that the

22 preceding portions of your letter?

23 A No, and that means that we -- we are providing a

24 separate response for the reasonable care and measures

25 plan within the letter, which is Exhibit 2, and -- and

26 it -- it addresses Items 1 and 2. It's attached as

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1 March 28 versus May 3rd had diminished from 748 to 669,

2 and predominantly that was the submission of

3 information.

4 Q And you also speak to the remaining 508 wells?

5 A I do.

6 Q What was -- basically, in a nutshell, what was the plan

7 there?

8 A Well, I'll just read it. So this is what we said:

9 (as read)

10 Of the 508, about 50 have proper suspensions

11 with plugs and just require a pressure test.

12 This leaves 450 that still require proper

13 downhole suspension or abandonment. Given

14 AlphaBow is conducting closure work to meet

15 the mandatory closure spend target, we now

16 understand, combined with the confirmed ABC

17 project, this can qualify a portion of these

18 wells for Directive 13, Section 3.22,

19 Option 3, inspection.

20 So I better explain what that actually is.

21 Q Please do.

22 A Essentially, after a period of time -- I -- I believe

23 it's ten years -- if a well is inactive, Directive 13

24 requires you to run a plug in the well and basically

25 the cost of substantially abandoning the well, but you

26 can qualify for an extension if you spend a certain

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1 Exhibit 2, which starts on page 9.

2 Q I wonder if we could go to page 247, and we'll come

3 back to the balance of your analysis. And if you would

4 just highlight the RCAM plan that you were proposing to

5 the Regulator on May 12th of 2023. That's Exhibit 2.

6 A Yes. So I divided this RCAM plan into two parts. One

7 was to describe the reasonable care and measures

8 efforts that AlphaBow had in place. I mean, to provide

9 reasonable care and measures for our sites, for safety

10 and environmental reasons. I listed all of the things

11 that AlphaBow already had in place and was already

12 doing. This is separate from specific undertakings we

13 were -- we were requested to address concerns.

14 Q I accept that. So I wonder for the benefit of the

15 Panel if you'd just highlight very briefly what

16 AlphaBow was already doing, and then we'll talk about

17 the undertakings next.

18 A So in my previous present -- discussion presentation, I

19 did highlight, you know, these elements of -- already

20 previously stated, that we have a corporate emergency

21 response plan, we have -- that has four areas, that we

22 do tabletop exercises; I highlighted that we have a

23 site-specific emergency response plan for our sour

24 solution gas gathering pipeline that -- that takes the

25 solution gas to Hastings Coulee where it is removed

26 and -- and injected. I highlighted our field staff

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1 visits. I highlighted our training checklist, our  
 2 noncompliance tracking that AlphaBow employed a  
 3 qualified environmental professional, our pressure  
 4 integrity management system, our corporate pipeline  
 5 operations maintenance manual -- manual. I -- I did  
 6 mention the corporate management and change process.  
 7 I -- I mentioned our incident command training that was  
 8 required for management in Calgary. There's additional  
 9 things here, and I also highlighted that we have  
 10 routine inspections.  
 11 THE CHAIR: Mr. Stapon, Mr. Ironside,  
 12 we've heard a few times this morning in terms of "as  
 13 mentioned in previous testimony". We've heard that.  
 14 We have access to the transcripts. Can we -- it's not  
 15 necessary for the purposes of the Panel to repeat --  
 16 MR. STAPON: All right.  
 17 THE CHAIR: -- pieces that we've heard  
 18 already, if you can point us to what you think is  
 19 important for us to know, please.  
 20 Q MR. STAPON: You've actually also included  
 21 a copy of your 97-point inspection plan that exists; is  
 22 that right?  
 23 A MR. IRONSIDE: Yes. It's -- it's attached.  
 24 It's our 97-point checklist.  
 25 Q And that's for your field staff?  
 26 A Yes, it is.

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1 actions that we were going to undertake by the end of  
 2 June to -- to address the compliance of 75 percent.  
 3 Q And you were also asked to outline in Item B how you  
 4 were going to respond to noncompliance, and you  
 5 indicate exactly what you were intending to do; is that  
 6 right?  
 7 A Yes.  
 8 Q Okay. If we can go back, then, to the other terms and  
 9 conditions which appear on page 244. And you'll see  
 10 that this starts to address your ARO liability. Do you  
 11 see that?  
 12 A Yes.  
 13 Q I wonder if you would briefly indicate what you were  
 14 indicating to the Regulator what the plans were in that  
 15 regard.  
 16 A So this was addressing our concern that a -- a  
 17 six-month timeline for the requirement to ensure all  
 18 mineral wells -- mineral lease expired wells were  
 19 compliant or abandoned. Six-month time line was  
 20 unreasonable, in our opinion. And we are making a  
 21 commitment here that we would undertake to meet this  
 22 requirement but in 12 months and -- and by the end of  
 23 March.  
 24 Q March 31st, 2024?  
 25 A 2024. We were requesting that the AER would amend the  
 26 deadline and -- and the -- the -- the main reason for

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1 Q Thank you.  
 2 Let's review very briefly over on page 248 what  
 3 you were saying you were going to do in addition within  
 4 30 days of the order.  
 5 A So I quoted the requirement from the March order, which  
 6 said: (as read)  
 7 By 30 days on the date of this order, submit  
 8 a reasonable care and measures plan to the  
 9 satisfaction of the director to demonstrate  
 10 the reasonable care and measures being  
 11 provided at the sites. The RCAM plan must  
 12 include at a minimum specific actions time  
 13 lines to improve AlphaBow's compliance.  
 14 So that was Item A. And I addressed that specific  
 15 item. So I said: (as read)  
 16 In addition to the company's ongoing programs  
 17 and practices, AlphaBow will undertake the  
 18 following specific initiatives to be  
 19 completed by -- on or before June 30th.  
 20 Q And then you outline them?  
 21 A I outlined them: (as read)  
 22 Include and ensure all tanks of both  
 23 underground and aboveground are inspected.  
 24 I think -- I don't need to read this. I think the  
 25 point is that I specifically addressed these, I guess,  
 26 one, two, three, four -- six bullet points of specific

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1 this was so that we could have a full season, including  
 2 winter -- winter -- winter access. Because, again, a  
 3 lot of these sites require frozen ground to get the  
 4 proper equipment in that is required to abandon them.  
 5 Q Then you were also obligated to provide electronic  
 6 records within 30 days of the RCAM order, and had you  
 7 done that with respect to all working interest wells  
 8 where you had a hundred percent working interest?  
 9 A So there had been at that time several attempts by  
 10 employees of AlphaBow to do exactly that. And -- and  
 11 we had updated all of the sites that were a  
 12 hundred percent working interest, but there was an  
 13 ongoing difficulty that -- that we were encountering,  
 14 and we -- in -- where we -- where the working interests  
 15 were not a hundred percent. And AlphaBow had sent  
 16 several emails and communications to the AER requesting  
 17 assistance and advising this problem, and we hadn't  
 18 received help sufficient to help us resolve this  
 19 concern as of the date of writing this letter.  
 20 Q Okay. And there's another question or point in  
 21 connection with financial statements, and those have  
 22 been provided?  
 23 A Those have been provided.  
 24 Q And what about the future interim quarterly financial  
 25 statements within 30 days of the end of the respective  
 26 quarter? What was your response there? The response

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1 was, 30 days is --  
 2 A Yeah. I --  
 3 Q -- too short, but we'll do it within 60 and 90?  
 4 A Yeah. We had -- I mean, it's -- it's much more common  
 5 that quarterly statements would be done within 60 days.  
 6 Q Okay. And what about the advice regarding an audit,  
 7 that is, the obligation to provide audited financial  
 8 statements? How do you respond there?  
 9 A I'm just looking. I pretty much know what I thought.  
 10 Q There's more on this later. We'll return to it because  
 11 there's proposals that are made by AlphaBow.  
 12 A I -- I see that I'm responding that we had concerns  
 13 and -- and that we were -- we were applying to the  
 14 Court of Appeal and that we were asking the AER to  
 15 consider an amendment of this provision instead to  
 16 require unaudited financial statements rather than  
 17 third-party audited financial statements at this point.  
 18 Q Okay. And, Ms. Zhang, I'm going to ask you in that  
 19 regard with respect to the issue of what you can tell  
 20 about the AlphaBow cash flow position. Can you advise  
 21 the Panel whether, in connection with your cheque runs  
 22 and GL, you could actually see all of the money going  
 23 into and out of the company?  
 24 A MS. ZHANG: Me?  
 25 Q Yes.  
 26 A In the GL? Sorry. If I could see the money going in

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1 of -- of not just AlphaBow, but others, in doing these  
 2 abandonments that -- that, on average, the -- the  
 3 estimates of -- of the liability were overstated by  
 4 about 30 percent, and we had an intention of doing a  
 5 review of this, of retaining a -- help and having a  
 6 consultant that -- that also has considerable  
 7 information in this regard, and making submissions  
 8 within the next several months to have this amount  
 9 reduced.  
 10 We believe that we had addressed every other issue  
 11 in the March order and that a majority of the issues  
 12 had been completely resolved, and those that were not,  
 13 AlphaBow had addressed and was providing a  
 14 reasonable -- in our view, a reasonable plan to resolve  
 15 and that -- that in the previous order that the AER  
 16 requested AlphaBow to post a \$3.8 million deposit for  
 17 the 2021 ABC commitment that we've discussed in --  
 18 quite in detail, AlphaBow, rather than post the bond,  
 19 had -- had completed the 3.8 million spend and -- and  
 20 had met that requirement, and -- and we've submitted  
 21 the letter that that was audited and accepted and it  
 22 was done and -- you know, that was a 57-well list.  
 23 Here's the 57-well list that we're going to do. Yes,  
 24 here; we did it; we met the commitment; we did what we  
 25 said we were going to do. And, you know, we just felt  
 26 this was unreasonable.

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1 and out of the company? Yes.  
 2 Q Yes. So the -- it would be possible to look at the GL  
 3 and your cheque runs to determine all of the money that  
 4 was going into and out of the company?  
 5 A Yes, there's a record in our accounting system.  
 6 Q Thank you.  
 7 Now we'll get to Point Number 8, the 15 --  
 8 THE COURT REPORTER: Sorry, Mr. Stapon. I can't  
 9 quite hear you sometimes because you're low, and you're  
 10 not with your mic. "We'll get to Point Number 8, the  
 11 15 --"  
 12 Q MR. STAPON: Point Number 8. That is the  
 13 \$15 million obligation -- 15 and a half million, I'll  
 14 call it, in round numbers. What was AlphaBow's  
 15 response there?  
 16 A MR. IRONSIDE: So we gave several reasons  
 17 that we contended that it was an unreasonable and  
 18 unfair request.  
 19 Q Generally, why was it unreasonable and unfair?  
 20 A Well, we believe that AlphaBow had continued to meet  
 21 and/or exceed the ARO requirements for abandoning and  
 22 reclaiming wells. We believe that the company was  
 23 managing the properties well and providing proper care  
 24 and maintenance. We believe that we had a business  
 25 plan that would address future financial obligations  
 26 and arrears. We believe that, overall, the history

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1 Q Mr. Ironside, we're going to be looking at the AlphaBow  
 2 financial statements that were provided in 2022  
 3 in-camera with the combination of Ms. Zhang, Mr. Li,  
 4 and yourself. But just by way of summary, was there  
 5 any possibility that AlphaBow could post this money,  
 6 that is, the 15 million or \$15-and-a-half million?  
 7 A I believe in -- in the materials that I've seen that  
 8 the AER knew that this was an extremely difficult, if  
 9 not impossible, undertaking for AlphaBow.  
 10 Q Thank you.  
 11 I'd like to move forward in Exhibit 9 to page 263.  
 12 When was AlphaBow supposed to post this \$15 million by  
 13 with the extension? Was that May 15th?  
 14 A I don't know the exact date. The original order was  
 15 within --  
 16 Q 30 days?  
 17 A -- within 30 days, and then, yes, I believe we had a --  
 18 a few more days after the -- the appeal was denied.  
 19 Q And in Document 263, the Regulator is indicating that  
 20 it's also applying a penalty here in connection with  
 21 the administrative fee. Do you see that?  
 22 A I do see that.  
 23 Q And that's on the 15th of May. If you take a look at  
 24 the next document, that's Number 266. There was also  
 25 an administrative penalty that's applicable there. Do  
 26 you see that?



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1 A I do see that.  
 2 Q And I'll address this to Mr. Li.  
 3 These amounts, Mr. Li, had not been paid by their  
 4 due date on May 4th. Can you advise why?  
 5 A MR. LI: Because the -- because the  
 6 March 30th order from AER has caused a lot of the cash  
 7 flow issue for AlphaBow. Our power supply company,  
 8 instead of give us six days credit period, they all ask  
 9 about the prepayment of our contract, our vendor, our  
 10 material supply. They all want the prepayment of  
 11 everything we need. So our cash is really struggling  
 12 after March 30th, all this, and we want to keep the  
 13 cash to make sure the operation is operated safely, and  
 14 we also have the resource for taking care of the  
 15 compliance.  
 16 Q And I'd like you, Mr. Li, to take a look at the same  
 17 exhibit, page 269. You see that there's the Orphan  
 18 Fund levy payment, and that had to be paid no later  
 19 than May 30th, 2023?  
 20 A Yes.  
 21 Q Do you see that?  
 22 A Yes.  
 23 Q And by May 30th, 2023, had the issue with respect to  
 24 the \$15-and-a-half million been resolved yet?  
 25 A No, not yet.  
 26 Q Mr. Li, this is a letter addressed to you. I'm going

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1 this order submit an abandonment plan with  
 2 specific actions and time lines.  
 3 Do you see that?  
 4 A (NO VERBAL RESPONSE)  
 5 Q And he says further on down: (as read)  
 6 As of May 16, 2023, AlphaBow has not  
 7 submitted the abandonment plan.  
 8 Do you see that?  
 9 A Yeah, I -- I saw that.  
 10 Q Maybe I can ask you and Mr. Ironside to assist in that  
 11 regard. Did you regard AlphaBow as having done that  
 12 already?  
 13 A MR. IRONSIDE: I'll speak to that.  
 14 Q Yes.  
 15 A Is my speaker on?  
 16 Q Yes.  
 17 A So in the same manner as prior to the 57-well program,  
 18 AlphaBow made a commitment that it was going to do  
 19 something by a certain date. AlphaBow undertook to  
 20 abandon 57 wells from March 1st to March -- or -- I'm  
 21 sorry -- from January 1st to March 31st to meet that  
 22 ABC commitment. AlphaBow did the work and completed  
 23 it. AlphaBow did what it said it was going to do.  
 24 And we, in response to the March order, made a  
 25 commitment that we would bring all mineral expiry wells  
 26 into compliance by March 31st, 2024. We -- we said

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1 to turn to page 271. It's a May 16, 2023, letter from  
 2 Mr. Callicott to your attention. Could you pull that  
 3 up.  
 4 A Yes.  
 5 Q And you'll see that the suggestion made is that  
 6 AlphaBow has identified that -- or the AER has  
 7 identified that you failed to comply with the  
 8 requirements imposed by the order. Do you see that?  
 9 A Yes.  
 10 Q And you state that AlphaBow -- or it states: (as read)  
 11 AlphaBow has made a submission regarding  
 12 Clause 1 of the order.  
 13 And it states that you were to submit an RCAM plan with  
 14 specific actions. Do you see that?  
 15 A Yes.  
 16 Q And he says that that hasn't been done. Was that done  
 17 on May 12th?  
 18 A I believe that our May 12th letter to the AER earlier  
 19 include the -- the -- the timeline, everything there,  
 20 of the -- the future plan for the Clause 1.  
 21 Q So Mr. Callicott is writing to you saying, Look, you  
 22 haven't done it, when you did do it?  
 23 A We did on the May 12th letter.  
 24 Q Okay. And likewise on the second page of that --  
 25 that's 272 -- he indicates that: (as read)  
 26 Clause 3 states by 30 days from the date of

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1 that was what we were going to do. That was our plan.  
 2 And we believed, being a company that has been doing  
 3 what it has said it's going to do, that that was  
 4 appropriate. I mean, we're going to go through it, but  
 5 subsequently we determine -- we -- we learned that --  
 6 that the AER did not consider that a plan 'cause it  
 7 didn't have sufficient detail, but we believed that we  
 8 had submitted the plan.  
 9 Q I'd like you to turn to the same exhibit, page 291.  
 10 This is a letter dated May 23rd, 2023. It's from ABE  
 11 to the attention of Mr. Callicott, and it's signed by  
 12 you, and it speaks to a meeting that occurred on the  
 13 18th of May. Do you have any recall of what was  
 14 discussed at that meeting?  
 15 A The predominant matters discussed at that meeting were  
 16 three issues from the March order. The three issues  
 17 were the mineral expiries, the requirement for audited  
 18 financial statements, and the requirement for the  
 19 15 million deposit.  
 20 Q And it may be that I've missed them, but I couldn't  
 21 find any minutes of that meeting in these materials.  
 22 Do you know if they were minuted?  
 23 A I do not know. I have not seen any minutes.  
 24 Q And in that letter, you state that -- the first  
 25 paragraph: (as read)  
 26 We wish to thank you for meeting with us in

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1 person for a brief discussion of these  
 2 matters on May 18, 2023, in which we  
 3 requested clarifications and guidance as to  
 4 what the AE -- AER might consider as  
 5 acceptable proposals.  
 6 A That's right.  
 7 Q So you're looking to them -- or to the AER to say,  
 8 Look, you've made an order. What would you really  
 9 consider as being acceptable?  
 10 A Yes. And -- and I'm addressing each one of these three  
 11 items, I believe. And so the first one that we're  
 12 addressing in this letter is the \$15 million deposit.  
 13 Q I'd like to go to Tab 46. That's page 297. This is a  
 14 letter from Mr. Callicott again. It's addressed to  
 15 Mr. Li. It's dated May 23rd, 2023, and you'll see in  
 16 the first paragraph that it indicates that: (as read)  
 17 The Alberta Energy Regulator has completed  
 18 its review of AlphaBow Energy's -- Alphabow's  
 19 RCAM plan submitted on May 12th, 2023.  
 20 Do you see that?  
 21 A I do.  
 22 Q So you submitted the plan on the 12th of May, and this  
 23 is the response even though Mr. Callicott had written  
 24 on the 16th saying that no plan had been submitted, but  
 25 I don't think it took 11 days for a review of your  
 26 letter. Is this the first real response that you got

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1 if any, reaction did you have when Mr. Callicott said,  
 2 Look, you're just talking about continuing what you're  
 3 doing?  
 4 A My immediate reaction was that it didn't seem to matter  
 5 what we said. It was unacceptable. We had been very  
 6 careful to address every concern, been very careful  
 7 when we were asked to provide specific plans and time  
 8 lines to make sure that we had done so, and we were  
 9 being told that we hadn't done that, but we had.  
 10 Q And in the third bullet point on that page, he says:  
 11 (as read)  
 12 Not all outstanding noncompliances are  
 13 addressed including issues dating back to  
 14 2020-11-17 identify an FIS inspection [and  
 15 then he gives a number], water crossing  
 16 issues [addressed another FIS], and the  
 17 recent field noncompliances on the Beaver  
 18 Creek First Nation lands.  
 19 What reaction did you have to that?  
 20 A Well, when you have a noncompliance, I think it's a bit  
 21 unfair to say it hadn't been addressed. There had been  
 22 communication back and forth on this specific one with  
 23 the AER, so it had been addressed. I would -- I  
 24 would -- I would say that it might have been a more  
 25 fair statement to say that it wasn't completely  
 26 resolved, because how it would be resolved was an

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1 in connection with the letter?  
 2 A Other than the meeting where it was indicated that we  
 3 didn't provide enough detail on the mineral expiry  
 4 plan, this was the first feedback specific to the  
 5 letter.  
 6 Q So it took 11 days for the AER to respond to your  
 7 analysis of the order and the RCAM plan requirements  
 8 that had been demanded.  
 9 And how long had the AER suggested that Mr. Li or  
 10 AlphaBow might be able to respond to its unknown plan  
 11 at the end of March? Was it a day or an hour?  
 12 A Yeah. I mean, it was -- I mean, when I think back all  
 13 the way to 2018, when we requested meetings with the  
 14 AER -- and most of the meetings that we've had with the  
 15 AER were at our request -- generally it's -- it -- we  
 16 can schedule a meeting a week or -- a week or ten days  
 17 or two weeks out. So -- yeah. No. The -- the idea  
 18 that -- that, you know, they had requested Mr. Li to  
 19 meet in such short order seems a bit unfair.  
 20 Q Okay. And what you get from Mr. Callicott is not  
 21 specific concerns in connection with what you've put  
 22 out or put forward in your May 12th letter. Is that  
 23 fair? It advised it consists primarily of continual  
 24 existing programs. And we already looked at your  
 25 schedules, which indicates, Here's what we're doing  
 26 now; here's what we're doing in the future. So what,

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1 ongoing discussion with -- between the AER and  
 2 AlphaBow, and it was being handled quite capably by Jay  
 3 Kleinsasser at the time.  
 4 Q Okay. I'd like to take a look at Document 301. This  
 5 is a May 24th, 2023, letter that's sent to the  
 6 attention of Mr. Callicott. And you've just received  
 7 the May 23rd correspondence; is that right?  
 8 A Yes.  
 9 Q And you address the RCAM order, Item 7, "Compliance  
 10 Proposal", and then you indicate: (as read)  
 11 In addition to the two other proposals being  
 12 provided regarding the specific elements of  
 13 the RCAM order, we are pleased to address the  
 14 RCAM order Item Number 7 as follows ...  
 15 And this is the financial statements issue?  
 16 A Yes. I worked with -- very closely with Amy on -- on  
 17 this circumstance, and I -- I would like to suggest --  
 18 and can we see the latter part of that letter, please?  
 19 Q Yes. That's at page 303.  
 20 A No. Prior to that. Just in the middle there.  
 21 Q 302.  
 22 A So I, in my career, have been CEO of a public company,  
 23 and I have undertaken the Directors Education Program,  
 24 so I -- I do have some experience with regard to what  
 25 standards are with regard to public companies trading  
 26 on the Toronto Stock Exchange versus private companies,

<p style="text-align: right;">315</p> <p>1 and my own personal opinion and experience as to what  2 I'm familiar with is that the requirements for audited  3 financial statements are pretty significant. The  4 requirements under the International Financial  5 Reporting Standards are pretty significant.  6 The circumstance AlphaBow was in is that it hadn't  7 had a reserve report updated since 2020. And, for  8 starters, I felt that the requirement of audited  9 financials was severe, unreasonable, and not applicable  10 to a private company. I believe that a much more  11 reasonable approach based on providing something I felt  12 the AER was looking for, which was a third-party  13 review -- an independent third-party review of  14 AlphaBow's financials, was really what I felt the AR --  15 AER was looking for and would be acceptable, and so --  16 Q If I could stop you for a moment, Mr. Ironside, just  17 for the benefit of the Panel in case they do not have  18 an accounting background. You can do financial  19 statements that are unaudited and not reviewed, you can  20 have a review engagement, and you can have an audited  21 financial statement. Can you explain for the benefit  22 of the Panel what a review engagement is, as you  23 understand it.  24 A So just like in any profession, accountants have  25 professional standards. I am not an accountant, so  26 I -- I don't feel entirely comfortable in -- in</p>	<p style="text-align: right;">316</p> <p>1 explaining what a review engagement is. What I do know  2 is that you can look up on -- on the account -- on the  3 professional website for -- for accounting that's  4 applicable, you can look up what a review engagement  5 is, but what I do know is that a review engagement is a  6 third-party review of the financial statements with a  7 degree of -- of testing and questioning of the company  8 and the management preparing those statements that is  9 not as rigorous as an audit but is -- still has a --  10 has a degree of rigour and has a degree of  11 independence. And, again, in my experience and in my  12 opinion as having been involved in the management of  13 public and private companies, I believe that a review  14 engagement could have provided the AER with a  15 reasonable assessment and third-party review of the  16 financial statements.  17 Q If I can stop you there, Mr. Ironside.  18 Ms. Zhang, do you have a comment in connection  19 with what you've just heard, given your 18 years of  20 accounting experience and the fact that you've got a  21 CPA designation?  22 A MS. ZHANG: Regarding a review engagement  23 versus an audited financial statement?  24 Q Yes.  25 A And I agree with Rick; with the review and engagement,  26 they would compile our financial statements. With the</p>
<p style="text-align: right;">317</p> <p>1 audited financial statement, they have to provide a --  2 a different type of opinion on the statements, and they  3 would not only compile and review the numbers, but they  4 would have to audit every process in the company too.  5 So it's a lot more thorough, and it would take a lot  6 longer, and it would be a lot more costly.  7 Q Does a review engagement involve basic checks to  8 determine the accuracy of the financial statements?  9 A They -- they will check it because it's third party.  10 They're -- you know, they have to go through a certain  11 standard.  12 Q Thank you.  13 Sorry to interrupt you, Mr. Ironside. You were  14 indicating that you assisted Ms. Zhang in connection  15 with the preparation of this letter, and you were  16 suggesting to the AER that a review engagement might be  17 sufficient.  18 A MR. IRONSIDE: I -- I believe that it -- it  19 could provide it.  20 And then I just want to add that -- to go back,  21 given that we hadn't had a reserve report since 2020,  22 to get updated reserve report or reports through the  23 interim years, to then do everything that would be  24 required under the International Financial Reporting  25 Standards, to have completely audited financial  26 statements was an undertaking that I believe Mr. Li had</p>	<p style="text-align: right;">318</p> <p>1 indicated would cost over a half a million dollars and  2 would require at least six months. I believe those --  3 those -- that view was accurate, that it would have  4 been at least six months, and it would have cost at  5 least that, if not more. And I felt that -- that that  6 was an unnecessary expense to provide a third-party  7 opinion on AlphaBow's financials.  8 Q Okay. I'd like you to turn to Document 306 in  9 Exhibit 9. This is a May 25th, 2023, letter from  10 yourself to Mr. Callicott. And you'll recall, just by  11 way of background, you wrote on May 12th; you got  12 advice that you hadn't written on May 16th; you get a  13 letter May 23rd saying, Here's what I think the  14 deficiencies are; and this is a letter. Is that in  15 response?  16 A Yes, it is.  17 Q Two days later?  18 A Yes.  19 Q What are you telling Mr. Callicott?  20 A I'm telling him that -- that we have addressed the  21 concerns, and for Item 3, we -- we were required to  22 give a plan for the overdue wells, overdue mineral  23 expiries.  24 Q And that was supposed to be within 30 days. What did  25 you understand the effect of the stay to be? You speak  26 to the fact that -- we note in your letter you stated:</p>

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1 (as read)  
 2 The AER has extended the deadline for  
 3 AlphaBow to respond to the RCAM order to  
 4 May 15th. [And immediately following that  
 5 statement is] May 16th AlphaBow have  
 6 responded. Please be corrected that AlphaBow  
 7 responded before the May 15 deadline.  
 8 And then you indicate Item 3 of the RCAM order  
 9 states -- and you address --  
 10 A Right.  
 11 Q -- the issue.  
 12 A Well, it -- it seemed like everything that we were  
 13 proposing and -- and all of our responses were  
 14 following on -- falling on deaf ears, and it seemed  
 15 like, you know -- you know, the -- I mean, I -- I -- I  
 16 did want to make the point that -- that in his letter  
 17 he -- that Mr. Callicott had stated we hadn't replied,  
 18 but we had.  
 19 Q Okay.  
 20 A I felt that it was important to -- to point that out.  
 21 Q And you indicated some further detail in connection  
 22 with your abandonment plan; is that correct?  
 23 A Yes. So if we could scroll down. I reiterated that we  
 24 were committed to bringing each and every mineral  
 25 expiry into compliance by March 31st, 2024, rather than  
 26 within six months. And I -- I noted that in addition

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1 able to provide, and -- and -- and as an operator, you  
 2 want to have flexibility. You want to be able to --  
 3 you know, I mean, the idea of, you know, which day  
 4 you're going to do this and -- and -- and, you know,  
 5 what contractor you're going to use and what it's going  
 6 to cost and stuff like that, all of that takes time.  
 7 But it doesn't always go according to plan, either. I  
 8 mean, if you go on a well and you're planning to do an  
 9 abandonment in one day and it takes two or you run into  
 10 a problem and it takes three or maybe it goes quicker,  
 11 all of -- all of these things are just a plan. And we  
 12 were providing quite a bit of detail and -- and  
 13 specifically describing our intentions and our -- and  
 14 the basis for how we were going to go about this. And  
 15 all of that's provided in this letter, and -- and we  
 16 know it's -- you know, even this isn't acceptable.  
 17 Q Mr. Ironside, you've anticipated my next line of  
 18 inquiry. We know from a review of the minutes of  
 19 meetings that occurred with AlphaBow over the course of  
 20 the years as referenced by the AER that there's lots of  
 21 discussion about, What's your plan for abandonment?  
 22 Had the AER ever requested anything like these sort of  
 23 new advices from Mr. Callicott as to what was required?  
 24 A No. This was -- this was beyond anything that we  
 25 had -- had been required to provide before. The AER  
 26 does have templates, and -- and, you know, in previous

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1 to making those wells compliant, that we did intend  
 2 to -- to make some of them compliant by reacquiring  
 3 mineral rights.  
 4 Q Okay. And you indicate on page 308 that you need some  
 5 time to do the most efficient job of setting up the  
 6 abandonment protocol?  
 7 A Yeah. I mean, we -- just above that -- sorry. You --  
 8 scroll down.  
 9 Q Yes.  
 10 A But if we could just go just above that. I wrote down  
 11 the wells into groups, and I sort of addressed stages  
 12 and elements of the plan. I broke the 386 wells  
 13 into -- into these groups that you can see here.  
 14 And -- and I described our plan and the -- and the  
 15 basis of our plan and what our objectives were and how  
 16 we intended to go about it.  
 17 And, I mean, I go back to -- for the ABC 57-well  
 18 program, we provided a well list, and that was  
 19 acceptable. And we did what we said we were going to  
 20 do. And here we're trying to provide the -- we're  
 21 trying to address Mr. Callicott's requirement for  
 22 increasing amount of detail.  
 23 I'm going to submit that the amount of detail that  
 24 Mr. Callicott was looking for -- we ultimately gave him  
 25 more detail than this. But the amount of detail he was  
 26 looking for was quite a -- quite an undertaking to be

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1 submissions to CLM, we had -- had given groups of  
 2 wells, like, where we said the -- here you say we say  
 3 that there's 53 mineral posting requests. We had  
 4 grouped wells in the same type of way that I had in  
 5 this letter and -- and given timing for completion, but  
 6 that was the most that we'd ever previously provided.  
 7 Q Let's say -- give the Panel just some idea of the  
 8 logistics that are required to organize a program like  
 9 this, in terms of hiring contractors, what kind of work  
 10 you have to do in advance. If you were going to give  
 11 precise dates or try to, what do you have to do for an  
 12 abandonment of this scope?  
 13 A Well, to go -- undertake a -- an approximate 300-well  
 14 program, it -- it's just a -- it's just a large  
 15 undertaking, and -- and -- and you would want to build  
 16 in flexibility. And, I mean, if you're asking me, What  
 17 do you have to do, you -- you have to -- you know, in  
 18 different areas across the province, you're going to  
 19 have to group the wells. Then you're going to have to  
 20 get -- get bid proposals for each area from several  
 21 contractors and select the -- the contractor you're  
 22 going to want. Then you're going -- in AlphaBow's  
 23 circumstances, you're going to have to pay deposits  
 24 upfront, and you're going to have to put together  
 25 programs and -- and probably even submissions with  
 26 regard to each -- each one of these and put together a

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1 cost estimate and an AFE and -- and on and on and on.  
 2 And this is a considerable undertaking, and, you know,  
 3 AlphaBow did have the resources to do all of the work  
 4 but not in the timeline requested and not in the manner  
 5 requested.  
 6 Q And if you take a look at that same letter, pages 310  
 7 through 315, there's a list of -- proposed mineral  
 8 lease expiry abandonment list, page 1?  
 9 A Yes.  
 10 Q What is this? What are you trying to confirm to the  
 11 attention of Mr. Callicott here?  
 12 A Well, I've taken the list, and I've -- I've indicated  
 13 specifically wells that are on cultivated land and  
 14 wells I -- that I said were on muskeg. Some of them  
 15 may not have been in "actual muskeg", but some of them  
 16 were in areas that you did require -- that were wet,  
 17 that were difficult to access when they're wet. You  
 18 need frozen ground. And so I broke the -- that's what  
 19 I'm indicating here is which wells are cultivated.  
 20 And, you know, AlphaBow, you know, makes -- was  
 21 making every attempt to work with all the landowners in  
 22 doing these abandonments, and a lot of abandonments --  
 23 you know, the -- the farmers would be cultivating right  
 24 up to the well -- or virtually to a teardrop around the  
 25 well. There potentially wouldn't be an access road,  
 26 other than to have to drive across the crop with big

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1 that we had posted the minerals for sale, which  
 2 requires you to submit a posting request to Alberta  
 3 energy and mines.  
 4 Q And if you're successful in getting the minerals back,  
 5 are you able to resume production if the well is  
 6 economic?  
 7 A You would be. You would -- that would be something  
 8 that you could do, yes.  
 9 Q I'd like you to look at page 313. This is Exhibit 3,  
 10 which is where AlphaBow owns the minerals.  
 11 A Yes. We -- we were just advising the AER that on this  
 12 list of wells where the -- the minerals rights -- the  
 13 minerals had supposedly expired, that we actually had  
 14 reacquired the minerals. There is a -- a process  
 15 that's required of linking wells. I'm not talking with  
 16 our -- our -- our staff in the -- in land. I don't  
 17 know that much about it, but I know there's a process  
 18 of linking wells to these new mineral leases that we  
 19 had acquired, and I -- I believe that there was -- that  
 20 they were doing that at the time.  
 21 Q And Exhibit 4 at page 314, it's already abandoned  
 22 wells, and there's two pages of that. What are you  
 23 telling the AER?  
 24 A Well, that there were 126 wells that were actually  
 25 compliant on -- and -- and they were wells on their  
 26 list that they were saying weren't compliant because we

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1 equipment, which, you know, would create something that  
 2 we might have to -- if we're going to do it, we may  
 3 have to pay additional compensation to a landowner,  
 4 and -- and they wouldn't be very happy about it. So I  
 5 don't think it was best practice, and we were -- we  
 6 were trying to suggest that we wanted to wait until  
 7 after harvest to do a bunch of these wells on  
 8 cultivated land. And that's what I was -- that's what  
 9 I was designating on the status where I said  
 10 "cultivate".  
 11 Q And on page 312, there's Exhibit 2 to your letter,  
 12 which is proposed mineral lease expiry posting  
 13 requests. What were you talking about there?  
 14 A Well, one of the mechanisms that is available to a  
 15 company when mineral -- minerals have expired is to  
 16 reacquire them. So, I mean, you know, one of the  
 17 things that could make a well compliant with the  
 18 requirements would be to reacquire the mineral rights.  
 19 Then it would no longer be a mineral expiry  
 20 circumstance where we had a well bore but you didn't  
 21 own the minerals. You would have reacquired the  
 22 minerals, and you would own them.  
 23 And so, you know, to the best of my knowledge,  
 24 that was an alternative that was available to us to  
 25 resolve the problem with some of these wells. So this  
 26 is what we were indicating. These were 53 locations

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1 had already done the abandonments. And I -- you know,  
 2 I'm -- I'm pretty certain that they were reported or in  
 3 the process of being reported.  
 4 Q I'd like you to look at Tab 52, page 319 from  
 5 Exhibit 9. You write to Mr. Callicott on the 25th,  
 6 providing him this information, and at 4:05 in the  
 7 afternoon, he writes back -- or writes and says:  
 8 (as read)  
 9 In response to AlphaBow Energy's failure to  
 10 comply with the March 30th, 2023, order, as  
 11 the statutory decision-maker for the order, I  
 12 am considering escalating enforcement action.  
 13 I have drafted a suspension order for  
 14 AlphaBow Energy, and I'd like to offer you  
 15 the opportunity to participate in a  
 16 due-process meeting.  
 17 Do you see that?  
 18 A Yes, I see that.  
 19 Q And he offers some time for that due-process meeting to  
 20 occur. What was your reaction to learning of that  
 21 prospect of a suspension when you'd just been in all  
 22 this communication with the Alberta Energy Regulator?  
 23 A To be honest, I am not sure that we knew what the order  
 24 was about when we -- when we received this. I don't  
 25 think it says in this email what it is about, so at the  
 26 time that we received this, we just knew that they

<p style="text-align: right;">327</p> <p>1 were -- Mr. Callicott was considering an order, an 2 enforcement -- of escalating enforcement action. 3 That's all we knew. 4 Q Okay. And so you've been in communication, you've been 5 meeting with the AER, you've been asking them what they 6 require, and you've been talking about the abandonment 7 process and so on, and you get advice that, Look, we're 8 considering suspending you. Did you -- 9 A Correct. 10 Q -- know why, other than the fact that there was a 11 breach of the order? 12 A So to the best of my knowledge, at this point in time, 13 we had addressed every specific concern. We had, as we 14 just reviewed, provided considerable detail on our plan 15 to make all of the mineral expiry wells compliant. And 16 so we were down to, in my mind, two issues. One issue 17 related to the audited financial statements, and the 18 other issue related to the \$15 million, and I knew we 19 weren't compliant on those. The AER had not accepted 20 our proposals. They had, you know -- and -- and we 21 were indicating, of course, that we intended to appeal 22 the -- the -- and were working on appealing the 23 March order. 24 Q And I'd like you to look briefly at page 326 and 330. 25 These are two letters -- this is Exhibit 9 again -- 26 May 26th, 2023, from the Regulator signed in the first</p>	<p style="text-align: right;">328</p> <p>1 instance by Mr. Callicott and also in the second 2 instance by Mr. Callicott, commenting in connection 3 with what your plans were briefly. Do you see that? 4 A Yes, I see it. 5 Q And I'd like you, then, to look at page 334, which is 6 your May 28, 2023, reply. And in that correspondence, 7 it starts out: (as read) 8 There are many items in your response to 9 AlphaBow's RCAM plan and overall submissions 10 of May 12th that are hereby -- we hereby 11 respectfully dispute. In this letter, we're 12 going to itemize where AlphaBow takes 13 exception and disputes certain claims and 14 statements both in the original order and in 15 the May 23rd, 2023, response letter. 16 And you do that in some detail. 17 A Yeah. We -- you know, when someone says, You didn't 18 respond to something, and you did, as far as you can 19 tell, then we went -- we're -- we're just going through 20 that and -- and going through it item by item. 21 Q So you actually gave a written response to this 22 process. Did you get a reply to it? 23 A To this letter? 24 Q Yes. 25 A Not to my knowledge. 26 Q I'd like you to look at page 348. This is another</p>
<p style="text-align: right;">329</p> <p>1 May 29, 2023, letter in connection with this process. 2 And you write to Mr. Callicott on the 29th, and you're 3 talking about the RCAM Order Number 7, and that is the 4 audited financial statements. That's one of the ones 5 where you believed you were still technically in 6 noncompliance with what the AER had directed? 7 A Yes. 8 Q And in a nutshell, what do you propose there? 9 A This is reiterating our -- our offer to provide 10 third-party review engagement statements, and I think 11 we wanted to be even more specific about that, and we 12 made the statement: (as read) 13 AlphaBow will specify a reputable accounting 14 firm. In this circumstance, we are leaning 15 towards Deloitte Canada to obtain a review 16 engagement for the 2022 financial statements. 17 We not only wanted to propose a third-party review, but 18 we wanted to make sure that we were -- we were advising 19 the AER that we were going to use a reputable -- a 20 reputable firm. 21 Q All right. You're also responding to the RCAM Order 22 Number 3 in connection with access to -- this is on 23 page 349, the issue of access to cultivated lands over 24 the course of the summer? 25 A Yeah. So the AER had made the statement -- I -- I -- I 26 think it may have been Mr. Callicott, but the AER had</p>	<p style="text-align: right;">330</p> <p>1 made the statement that AlphaBow should have year-round 2 access to these sites and -- and -- based on their 3 lease agreements, and delaying abandonments until 4 winter should not be necessary, that this -- that that 5 should not be an issue. 6 And so I'm going to read my statement, and 7 basically we replied: (as read) 8 The situations are not that simple, and even 9 if the statement were entirely correct, which 10 it is not, it does not reflect good operating 11 practices and proper landowner relations. As 12 recently as the day before I wrote this 13 letter, AlphaBow was denied access on a lease 14 to cultivated land because the landowner was 15 seeding crops. [And state] For many, not all 16 of the cultivated sites. Landowners have 17 been growing crops virtually right up to a 18 teardrop that contain as little as a 19 wellhead. In addition, the cultivation helps 20 considerably when we go to reclaim these 21 wells. 22 So that -- we don't want to take large equipment in at 23 that time of year, and -- and we don't have proper 24 access roads, and -- and -- and, you know, essentially 25 I'm making the point that, you know, we want to wait 26 till -- till the ground's dry till after harvest. So</p>

<p style="text-align: right;">331</p> <p>1 we still -- still making the statement: (as read)</p> <p>2 Therefore, it is best to access these sites</p> <p>3 with large equipment such as required for</p> <p>4 abandonment in times of low moisture after</p> <p>5 crops are harvested. AlphaBow will allow</p> <p>6 that some sites where we show cultivated</p> <p>7 could be done before November, but we</p> <p>8 maintain that the majority of these would be</p> <p>9 best abandoned after harvest.</p> <p>10 So that's addressing that issue.</p> <p>11 The second issue is the already abandoned list</p> <p>12 provided has one well, which is not abandoned. The</p> <p>13 current status is well is -- is suspended. Well, I</p> <p>14 mean, I thought that was pretty good, that at least</p> <p>15 there was only one well from that -- that long list</p> <p>16 that the AER was now considering not abandoned. And --</p> <p>17 Q I want to go to page 351, which is a significant one.</p> <p>18 This is in connection with the \$15 million and the</p> <p>19 financial statements. And I'd like to start with the</p> <p>20 third paragraph on that letter first and then move up</p> <p>21 to the proposal that is made. And the third</p> <p>22 paragraph -- or -- pardon me -- second paragraph</p> <p>23 states: (as read)</p> <p>24 Hopefully you will see from Ben Li's separate</p> <p>25 submissions that AlphaBow anticipated very</p> <p>26 significant future growth and revenue that is</p>	<p style="text-align: right;">332</p> <p>1 secure and based on pricing that is already</p> <p>2 committed pursuant to Alberta's tier</p> <p>3 legislation. Clearly if AlphaBow can survive</p> <p>4 through the next couple of years to benefit</p> <p>5 from this increasing revenue stream, then</p> <p>6 such will be sufficient to address the</p> <p>7 company's entire long-term asset retirement</p> <p>8 obligation.</p> <p>9 So were you working with Mr. Li in terms of preparing</p> <p>10 those sets of financials and cash flow forecasts?</p> <p>11 A Yes. I mean, I -- this -- you know, as I have stated,</p> <p>12 knowing that under the TIER legislation that the -- the</p> <p>13 carbon tax is going to \$170, we're very clearly telling</p> <p>14 the AER here, We have future significant income that is</p> <p>15 extremely material, and it's -- and it's very clearly</p> <p>16 stated here that it's so material, that it is</p> <p>17 sufficient enough to address the company's entire</p> <p>18 long-term asset retirement obligation. I don't know</p> <p>19 how that could have been stated any more clearly.</p> <p>20 Q Let's go up to the top of page 405. It's stated that:</p> <p>21 (as read)</p> <p>22 As an alternative to posting \$15,374,050</p> <p>23 bond, AlphaBow proposes in each of the next</p> <p>24 eight quarters, that is, 24 months, the</p> <p>25 company will put \$1,921,756 Canadian funds in</p> <p>26 escrow with a Calgary legal firm --</p>
<p style="text-align: right;">333</p> <p>1 A Yeah. I don't think we wanted to change the</p> <p>2 page there.</p> <p>3 Q Sorry. This is page 351?</p> <p>4 A Yeah. Sorry. Right.</p> <p>5 Q (as read)</p> <p>6 -- with a Calgary legal firm for the sole</p> <p>7 purpose of the AER Manual 23 voluntary spend.</p> <p>8 So was this over and above the mandatory spend, that</p> <p>9 is, every quarter, a couple of million dollars</p> <p>10 approximately would be put into a law firm in trust to</p> <p>11 actually be spent on asset retirement --</p> <p>12 A So --</p> <p>13 Q -- and reclamation?</p> <p>14 A Yes. So this is specifically to address the RCAM</p> <p>15 order, the March order Item Number 8. And we're making</p> <p>16 yet another proposal. We're trying to find --</p> <p>17 ultimately what we're doing is we're trying to become</p> <p>18 compliant or make proposals to everything that the AER</p> <p>19 says we're not compliant. We're -- we're seeking</p> <p>20 resolution in some way, shape, or form. And as I had</p> <p>21 previously stated, AlphaBow would far, far prefer, if</p> <p>22 it's going to put \$15 million up, that something good</p> <p>23 gets done with that \$15 million to benefit AlphaBow;</p> <p>24 therefore, we are saying, Here's our proposal: We will</p> <p>25 address this \$15 million requirement in the following</p> <p>26 manner. We will, over the next eight quarters, take</p>	<p style="text-align: right;">334</p> <p>1 one eighth of that per quarter, put it in trust with a</p> <p>2 Calgary legal firm, and then the only use that that</p> <p>3 money can be used is towards abandonments and</p> <p>4 reclamations and that that -- we would do that over and</p> <p>5 above the mandatory spend requirement. So this would</p> <p>6 be -- this would intentionally be towards -- I don't</p> <p>7 want to use the word "voluntary" -- supplemental spend.</p> <p>8 Q Thank you.</p> <p>9 I'd like both you and Mr. Li and Ms. Zhang to turn</p> <p>10 to Document 354, which is a letter to Mr. Callicott,</p> <p>11 signed by Mr. Li, and collectively -- because I'm going</p> <p>12 to ask you this question: How was this letter</p> <p>13 prepared? Who cooperated with whom, or who</p> <p>14 collaborated with whom to put it together?</p> <p>15 Mr. Li, you signed it, so who worked on this</p> <p>16 letter?</p> <p>17 A MR. LI: Me and -- and Mr. -- me and</p> <p>18 Rick.</p> <p>19 Q And that's Mr. Ironside?</p> <p>20 A Yeah, Mr. Ironside. Yes.</p> <p>21 Q All right. And so there's advice here that: (as read)</p> <p>22 There had been statements made by the AER</p> <p>23 that AlphaBow has not demonstrated how it's</p> <p>24 being harmed by the March 30th order.</p> <p>25 What statements are you talking about there?</p> <p>26 A That's one statement. That's some statement made by</p>

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1 AER that said AlphaBow have not demonstrated any  
 2 harm -- real harm by AER's March 30th orders. I cannot  
 3 remember exactly day of estimate.  
 4 Q In bold letters, it states: (as read)  
 5 If AER escalates enforcement to another  
 6 level, AlphaBow and all other stakeholders  
 7 will suffer a tremendous loss.  
 8 Who are the stakeholders that you're talking about?  
 9 A We talk about the Alberta government, royalty holder,  
 10 landowner, minister, municipal county, or the contract  
 11 vendor/material supplier, or the creditor.  
 12 Q When you say "credit", is that creditors?  
 13 A Yeah. Sorry. Yeah, creditors.  
 14 Q Okay. And you state in Clause 1 that if enforcement  
 15 goes to another level, that AlphaBow could lose  
 16 potentially \$80 million in Canadian funds for CO2  
 17 credits, including already injected volumes between  
 18 23 and 25 and over 700 million projected for the next  
 19 30 years. Did you get any response from the AER in  
 20 connection with that analysis or statement that,  
 21 Look ...  
 22 A Nothing.  
 23 Q There's advice: (as read)  
 24 Please refer to other correspondence already  
 25 provided for estimates of annual amounts that  
 26 we -- cease to be paid to employees and

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1 maybe only cost about \$10,000, but because our credit  
 2 be really damaged after the March orders, the  
 3 contractor just come, say, Hey, we need \$15,000 and the  
 4 cash paid in front of the work. So they do cause a lot  
 5 of trouble for us.  
 6 Q You were losing staff as well?  
 7 A Yes.  
 8 Q What was happening there?  
 9 A You mean the -- after March 30th orders or --  
 10 Q Yes. You say: (as read)  
 11 High employee turnover weakens our ability to  
 12 optimize maximize production.  
 13 A Can you slow down?  
 14 Q That's on page 355.  
 15 A Yes. After the March 30th order, you know, we have  
 16 four experienced operator. They think -- they thought,  
 17 you know, AER will not let us keep going, so they  
 18 started looking for a new job.  
 19 Q Just one more series of questions before the break,  
 20 Mr. Li, and that is --  
 21 THE CHAIR: Actually, Mr. Stapon. Could  
 22 you give us an idea of how much more direct evidence  
 23 you would anticipate beyond these questions you're  
 24 asking?  
 25 MR. STAPON: I'd anticipate about  
 26 45 minutes, half an hour. It depends how quickly it

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1 service providers, municipal taxes, Crown and  
 2 federal royalties, and surface mineral  
 3 leases.  
 4 So if you're shut in, what's going to happen to all  
 5 those parties?  
 6 A Nobody get paid.  
 7 Q And what was happening to you in connection with the  
 8 March 30th order in terms of constraining AlphaBow's  
 9 credibility and credit within the overall market?  
 10 We've talked a little bit about the power generators  
 11 requiring advance payments. What else was occurring?  
 12 A So after March orders, you know, we got a lot of phone  
 13 call from everybody. Our power supply is not willing  
 14 to give us credit. They wanted the prepayment deposit.  
 15 Our supply -- everything we want to do, they want it  
 16 prepaid. And there's -- that's happen -- some investor  
 17 we was talking to try to bring the new investment into  
 18 the AlphaBow to do more workover and to repair the  
 19 pipeline by share some future cash flow. They -- this  
 20 all stopped. That's the -- another \$11 million  
 21 investment we were talking about to do the farmout to  
 22 doing the well in the green glade also get a stop. All  
 23 kind of the same.  
 24 And even we want to do something -- let's say we  
 25 want -- very easy thing. Even we want to do something  
 26 for some repair work on the field. Before this job,

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1 goes.  
 2 THE CHAIR: Okay. Thank you. Ask these  
 3 questions, and then we'll take the break.  
 4 MR. STAPON: Thank you.  
 5 Q MR. STAPON: There's advice on page 356:  
 6 (as read)  
 7 Make middle-term and long-term plan  
 8 impossible. Reduced AlphaBow's ability to  
 9 cut operation costs down.  
 10 What are you talking about there?  
 11 A So at that time, we -- the middle term I'm talking  
 12 about within one year. I was actually working on to --  
 13 to generate power for our CO2 facility by ourself. And  
 14 I already lined up the generator supplier and get  
 15 the -- get the commitment for the new investment to  
 16 provide this generator. So potentially receiving would  
 17 be estimated about \$2 million a year.  
 18 Q Thank you.  
 19 MR. STAPON: That might be an appropriate  
 20 time for a morning break, Commissioners.  
 21 THE CHAIR: Thank you.  
 22 So we will break for 15 minutes. We will return  
 23 at 10:30 -- sorry -- 10:32 by my watch, and we will  
 24 proceed with the remainder of your direct evidence  
 25 then.  
 26 MR. STAPON: Thank you.



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1 (WITNESSES STAND DOWN)  
 2 (ADJOURNMENT)  
 3 (WITNESSES RE-TAKE THE STAND)  
 4 THE CHAIR: Mr. Stapon, please proceed.  
 5 MR. STAPON: Thank you, Commissioner. We  
 6 will attempt to move this matter on with some dispatch,  
 7 given the fact that I'm already over time.  
 8 I'd like to pull up the draft order in this case,  
 9 which is -- begins at page 364. This is  
 10 Mr. Callicott's suspension order, and I'd like to look  
 11 at page 350 -- 368.  
 12 THE CHAIR: Which document, Mr. Stapon?  
 13 MR. STAPON: That is Tab Number 68 --  
 14 THE CHAIR: Which --  
 15 MR. STAPON: -- Exhibit 9.  
 16 THE CHAIR: Thank you.  
 17 Q MR. STAPON: So Mr. Callicott is proposing  
 18 suspending all AlphaBow operations. Can you tell me,  
 19 Mr. Ironside, whether there was any discussion with him  
 20 about potentially even leaving the carbon capture  
 21 component of AlphaBow's business alive during the  
 22 suspension process?  
 23 A MR. IRONSIDE: We specifically pleaded  
 24 that -- that if there was any way possible to leave  
 25 that operating, that -- that we thought it would be  
 26 appropriate. Mr. Callicott did indicate that MEGlobal

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1 were -- monies were due May 4th?  
 2 A Yes.  
 3 Q (as read)  
 4 -- and submit a reactivation plan.  
 5 Do you see that?  
 6 A Yes.  
 7 Q Did Mr. Callicott seem intent on, in fact, shutting in  
 8 or suspending AlphaBow's operations?  
 9 A Yes.  
 10 Q I'd like you to take a look at Document 602 in  
 11 Exhibit 9 -- or page 602. That's Tab Number 75. This  
 12 is a June 2nd, 2023, letter written to the attention of  
 13 Mr. Callicott, and you're there reviewing the necessity  
 14 of the draft order?  
 15 A Yes.  
 16 Q And you are arguing whether or not there is compliance.  
 17 And let's go to page 604, and the second bullet point  
 18 at the top of the page at 604 indicates: (as read)  
 19 AlphaBow listed outstanding debts and did  
 20 provide the outline of its business plan  
 21 showing that the company does have the  
 22 potential to address these debts. This plan  
 23 included time lines to the best of AlphaBow's  
 24 ability. Precise time lines are not feasible  
 25 because certain elements in the business plan  
 26 depending on discussion with the

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1 may have alternatives. And we -- we made it very clear  
 2 that we did not believe that there was any other  
 3 alternative. If this facility did get shut in, that  
 4 for sure the CO2 was going to get emitted. There was  
 5 no other way of it being captured. And as part of our  
 6 preliminary discussion to this order, I believe we  
 7 were -- I believe we were -- I believe I provided  
 8 Mr. Callicott with -- with a copy of our arrangement  
 9 with MEGlobal, the supply of the CO2.  
 10 Q So in connection with the order that was being  
 11 proposed, the reactivation plan, in order to be able to  
 12 start operations again -- this is at page 506,  
 13 page 368, under Item 10: (as read)  
 14 In addition to the requirements of this  
 15 order, prior to the director considering  
 16 lifting the suspension of operations,  
 17 AlphaBow must come into compliance with the  
 18 March order.  
 19 And that -- did that include, to your knowledge, the  
 20 \$15,300,000 security deposit?  
 21 A Yes, absolutely.  
 22 Q (as read)  
 23 -- come into compliance with the 2023  
 24 administrative fee and the 2023 Orphan Fund  
 25 levy --  
 26 Those are the documents we looked at earlier that

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1 municipalities and certain approvals and  
 2 facility transfers with associated  
 3 liabilities with the purchaser paying the  
 4 deposit, pipeline transfers, and application  
 5 approvals.  
 6 So you had submitted a plan in connection with this?  
 7 A Yeah. This is referring to the industry deals that  
 8 were available to AlphaBow that were in the May 12th  
 9 letter and other discussions along the way where we had  
 10 been very clear about the potential future income.  
 11 Q And I'd like you to go to page 605 of that same  
 12 document, Point 3. There was the discussion that  
 13 shutting down the Prentiss CO2 capture facility will  
 14 cause harm?  
 15 A Yes. You know, to the -- to -- to the extent that CO2  
 16 being emitted to the environment is something that is  
 17 of a world-wide concern that -- that billions of  
 18 dollars are -- are being planned and invested to reduce  
 19 CO2 emissions, then, yes, CO2 emissions that can be  
 20 prevented cause harm. And this 550 tons a day on  
 21 average doesn't need to be immediately emitted at this  
 22 moment.  
 23 Q Did Mr. Callicott have any discussion whatsoever with  
 24 AlphaBow about what might be required to ensure safe  
 25 and environmental operations of that facility and that  
 26 process?

343	<p>1 A When we had the meeting, we made -- we -- we had 2 suggested that -- the facility had operated pretty much 3 continuously -- not entirely continuously, but pretty 4 much continuously since 2006 and that there had been -- 5 there were no -- no -- that in -- in our humble 6 opinion, it posed no safety risk or -- or environmental 7 risk to the public. And -- and to the extent that the 8 March order was alleging that AlphaBow posed a safety 9 or an environmental risk to the public, specifically we 10 were -- we were suggesting that this facility does not. 11 And it was very well-maintained and very modern, and it 12 did not pose any risk.</p> <p>13 Q And the order was issued, was it? 14 A Yes.</p> <p>15 Q Mr. Li, after the order was issued, you arranged to 16 meet with insolvency counsel and the AER; is that 17 right? 18 A MR. LI: Yes, we did.</p> <p>19 Q So what was the purpose of dealing with insolvency 20 counsel after the order? What were you trying to 21 consider or accomplish or do? 22 A In the letter from AER to AlphaBow they did on the 23 May 1st, 2023, AER states their concern that AlphaBow 24 is easily to move the money to oversee instead of using 25 it for ARO because of AlphaBow's firm ownership. So I 26 thought AER may want AlphaBow being restructured with</p>	344	<p>1 local Canadian management team instead of with an 2 immigrant from China. So if this restructure without 3 me or other Chinese involved could help keep AlphaBow 4 keep going, I would like to cooperate with AER. That's 5 why we go hire the consultant to discuss restructure 6 plan.</p> <p>7 Q And in order to fund the Companies' Creditors 8 Arrangement Act plan, would AlphaBow need to continue 9 operations in some capacity during that process? 10 A Yes, we need.</p> <p>11 Q Did the AER -- AER even consider that prospect? 12 A They never -- no, they didn't.</p> <p>13 Q There was a stay obtained in connection with the 14 AlphaBow. Did AlphaBow continue to operate for a 15 period of time after that? 16 A Yes.</p> <p>17 Q And in that regard, we've already had some discussion 18 about the compliance rating that was achieved by 19 AlphaBow during that stay period, and when you reported 20 it over nine days, how many more inspections were 21 ordered? 22 A Within nine days after AER received the letter, on 23 August the 22, 2023, they know -- they -- they 24 acknowledge AlphaBow's field inspection rate already 25 improved to 70 percent. AER sent 22 inspection within 26 nine days. I just give you some for comparison. In</p>
345	<p>1 2021, the whole year, 12 months, AER did 54 inspection 2 on AlphaBow, and within that nine days, AER did 22.</p> <p>3 THE CHAIR: Excuse me. The piece that 4 you're just referring to in terms of the reporting 5 showing the increase, is that on our record? 6 MR. STAPON: It is not yet on your record, 7 but I believe that the AER will acknowledge that that 8 occurred.</p> <p>9 THE CHAIR: Are you proposing -- 10 MR. STAPON: We will undertake to file the 11 letter which demonstrates that, if it's -- 12 THE CHAIR: What's the -- what's the -- 13 MR. STAPON: -- if there's no objection. 14 THE CHAIR: What's the date of it? 15 MR. STAPON: It's August -- 16 A MR. IRONSIDE: 22nd. 17 MR. STAPON: -- 22nd. 18 THE CHAIR: Counsel for CLM, comments? 19 MS. ROSS: We'd like time to see that 20 letter and consider that before we say "yes" or "no". 21 It's certainly afterwards, and we haven't been able to 22 file anything of our own after that date. 23 THE CHAIR: Thank you. 24 Let's leave it off the record for now. We want a 25 clarification on that. 26 MR. STAPON: Thank you.</p>	346	<p>1 Q MR. STAPON: Mr. Li, AlphaBow has a number 2 of external creditors other than the obligations 3 associated with the asset retirement obligations for 4 the Alberta Energy Regulator and the Orphan Well 5 Association. Can you tell me whether any of those 6 creditors have threatened insolvency proceedings 7 against AlphaBow, or are they trying to work with you 8 if you're able to survive? 9 A MR. LI: The most of the credit -- they 10 are -- they're willing to work with AlphaBow. So only 11 a party threaten to put AlphaBow into the insolvency -- 12 THE COURT REPORTER: Sorry. "Into the insolvency"? 13 A MR. LI: Is -- yeah, is only parties 14 threaten to put AlphaBow into insolvency is the 15 orphan -- the Orphan Well Fund -- Association. 16 Q MR. STAPON: So the Orphan Well Association 17 actually threatened insolvency -- or putting AlphaBow 18 into insolvency. That's the only one? 19 A Yes. 20 Q And, just briefly, I'm going to ask you to work with -- 21 Mr. Ironside, you've come up with a plan basically -- 22 it's a basic plan -- if this Panel reverses the order. 23 How do you get back into operation? And I'm going to 24 ask Mr. Ironside to address that briefly. 25 A MR. IRONSIDE: So the way that you would go 26 about --</p>

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1 THE CHAIR: Actually, before you get into  
2 this, can you tell us what the relevance would be to  
3 the issues -- to the issues as we've set them out?  
4 MR. STAPON: With respect, it's probably  
5 the most important issue for a determination,  
6 commissioner, in connection with: Do you set aside the  
7 order? Because if you do, what happens? How does it  
8 work? What occurs next? And we don't intend to spend  
9 more than a couple of minutes on this, but this Panel,  
10 with respect, must know if we -- as the die currently  
11 is cast, how do you uncast it? You're being asked to  
12 set aside this order. What happens if you do? With  
13 respect, you need to know that.  
14 THE CHAIR: CLM, any comments?  
15 MS. ROSS: I think we can hear it and the  
16 commissioners can determine the weight and relevance to  
17 give to it.  
18 THE CHAIR: Okay. A moment while I  
19 consult with my colleagues, please.  
20 MR. STAPON: Thank you.  
21 THE CHAIR: Mr. Stapon?  
22 MR. STAPON: Yes, commissioner.  
23 THE CHAIR: Okay. Thank you.  
24 We will hear this, but we do remind you of the  
25 issues that we set, and we're expecting to hear about  
26 the materiality in relation to this.

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1 obviously have to retain some of our original staff, to  
2 the -- to the extent we could. We would have to go on  
3 a property-by-property basis, ensure compliance with  
4 AER requirements and everything was operational and in  
5 proper condition, and go through on a  
6 property-by-property basis to restart. We would have  
7 to be mindful, of course, of any requirements the AER  
8 would put on us to do that. So that would be how we  
9 would go through and restart the properties.  
10 With regard to asset retirement, we would  
11 undertake to meet our 2023 and 2024 mandatory spends by  
12 the end of 2024.  
13 Q So you would require a deferral of that obligation on a  
14 cash-flow basis until the end of '24, but you would  
15 meet it within how many months?  
16 A By the end of 2024. So if we were restarting this --  
17 Q 14 months?  
18 A Yeah. This fall. I don't think it's quite even  
19 14 months. It would --  
20 Q Yes.  
21 A -- be 13.  
22 Q 13 months.  
23 A Yeah.  
24 Q Thank you.  
25 A So we'd make that undertaking. I think, as I  
26 described, as -- as some of our revenue increases,

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1 MR. STAPON: I understand, commissioner,  
2 but I will point out in that regard that one of the  
3 conditions for reopening was, in fact, a reactivation  
4 plan, and that is a matter which was before -- or is  
5 actually in the order itself.  
6 Q MR. STAPON: So, Mr. Ironside, I wonder if  
7 you would briefly indicate, first of all, in the event  
8 that this Panel determines that the order should be set  
9 aside, are you prepared to stay on and work with  
10 AlphaBow?  
11 A MR. IRONSIDE: Yes, I am.  
12 Q In what capacity?  
13 A As -- as COO.  
14 Q And, Mr. Li, has that been confirmed by yourself and by  
15 the director of the corporation?  
16 A MR. LI: Yes.  
17 Q Basically, what would the plan be -- that is, if this  
18 Panel determines that the AER exceeded its jurisdiction  
19 or acted not in accordance with the public overall  
20 interest and sets aside the order suspending AlphaBow,  
21 what would be the plan for reactivation, and how would  
22 AlphaBow address its abandonment and reclamation  
23 obligations?  
24 A MR. IRONSIDE: Well, since we have not had  
25 custody of the sites and there is some risk of  
26 vandalism and -- and different things, we would

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1 we're not -- we would -- you know, two or three years  
2 down the road, we would be not only able to undertake  
3 the mandatory spend, but the discretionary spending we  
4 would be able to do as well, the supplemental spend.  
5 Q And, Mr. Li and Mr. Ironside -- choose who should  
6 answer this question -- are you expecting to get  
7 cooperation from your creditors for a workout plan if  
8 you're entitled or able to continue operations?  
9 A MR. LI: Yes.  
10 Q And why is that? Why do you expect that they will --  
11 you'll get cooperation?  
12 A We already talked to a lot of the creditors. We -- we  
13 reached out to almost every -- the municipal county.  
14 They like to work with us. One of the big creditors of  
15 Advance Drilling, like, we -- we already reached a  
16 settlement with them in 2021. So they're willing to  
17 stick with the settlement. They're also willing to  
18 invest more money with -- with AlphaBow to increase the  
19 production.  
20 Q And, Mr. Li and Mr. Ironside, based on the business  
21 plan that you put together with respect to the  
22 availability of carbon credits and tier -- and that's  
23 independent of the issue of whether or not you can get  
24 credit for carbon you've already sequestered -- are you  
25 of the view that this company can dig out and pay all  
26 of its debts over time?

<p style="text-align: right;">351</p> <p>1 A MR. IRONSIDE: Yes.</p> <p>2 Q Mr. Li?</p> <p>3 A MR. LI: Yes.</p> <p>4 MR. STAPON: Panel, thank you for your 5 indulgence of the extra time. That concludes the 6 direct examination.</p> <p>7 THE CHAIR: Thank you, Mr. Stapon. 8 Ms. Ross, Ms. Lavelle, would you like a short 9 break before you start? Will ten minutes suffice?</p> <p>10 MS. ROSS: Yeah, that should suffice. 11 Thank you.</p> <p>12 THE CHAIR: All right. We will take a 13 ten-minute break. So we will reconvene at ten past 11 14 to begin cross-examination by CLM. And, again, a 15 reminder, the witness panel is not released. You will 16 be back up here to answer CLM's questions.</p> <p>17 MS. LAVELLE: Madam chair, we were wondering 18 if you could -- could you remind the witnesses also not 19 to discuss their evidence in this ten-minute break, 20 please? Thank you.</p> <p>21 THE CHAIR: Yes. So let's make it clear 22 to the witnesses you're not to discuss amongst 23 yourselves or with your counsel in relation to the 24 evidence that you have given. 25 (WITNESSES STAND DOWN) 26 (ADJOURNMENT)</p>	<p style="text-align: right;">352</p> <p>1 (WITNESSES RE-RETAKE THE STAND)</p> <p>2 THE CHAIR: Mr. Stapon?</p> <p>3 Submissions by Mr. Stapon</p> <p>4 MR. STAPON: Commissioners, before the 5 cross-examination begins, we have an objection to the 6 aid material in connection with cross-examination 7 proposed by the Alberta Energy Regulator's counsel. I 8 can advise the Panel that that information was not 9 received until -- emailed at 9:15 last night. We only 10 got it this morning. There's no prospect of being able 11 to address it. We know for a fact that some of it was 12 obtained well earlier. It has to do primarily with the 13 corporate searches and other information regarding 14 Mr. Li and Mr. Ironside. They've known about who the 15 panel members were for a long period of time. They're 16 late. And just as a final point, we would submit that 17 it should not be admitted at this stage because it 18 breaches the rules.</p> <p>19 THE CHAIR: Please come to the main mic. 20 That will be a little easier.</p> <p>21 Submissions by Ms. Ross</p> <p>22 MS. ROSS: Thank you, Chair. 23 I -- I was aware of the 24-hour rule. 24 Unfortunately, we finished at 6:40 last night, had a 25 bite to eat, and then we pulled together materials for 26 the cross. I emailed it to hearing services and my</p>
<p style="text-align: right;">353</p> <p>1 friends as soon as possible at that time. I believe 2 Ms. Cameron did receive it last night because she 3 responded in kind shortly thereafter with her aids.</p> <p>4 I understand the 24-hour rule, but I would ask for 5 some leeway given the late hours and the excitant 6 situation that we've been -- sort of placed ourselves 7 in in terms of workload.</p> <p>8 The other thing I would add is that the aids are 9 all public information. They relate to the witnesses 10 themselves, and they should be well aware of the 11 materials.</p> <p>12 THE CHAIR: So, Mr. Stapon, anything in 13 relation to the -- Ms. Cameron apparently replied and 14 provided information as well? 15 Submissions by Mr. Stapon</p> <p>16 MR. STAPON: Well, she -- we provided it, 17 of course, in advance of the 24 hours -- well in 18 advance of 24 hours of the cross-examination of the 19 AER, and I can advise this Panel that the material in 20 question constitutes, in many respects, public records 21 which you cannot search until after 4:30 in the 22 evening. So the AER had that information in their 23 hands earlier, and we know that some of it, in fact, 24 was copied on the 24th, and it was not provided timely. 25 And, with respect and in fairness, we ought to have had 26 the opportunity to review and meet with our witnesses.</p>	<p style="text-align: right;">354</p> <p>1 They, of course, started at 8:30. There wasn't 2 possible time to review and say, What about this, or 3 what about this? This is surprise information that is, 4 with respect, about each of our experts -- or -- pardon 5 me -- each of our witnesses, and in that circumstance 6 should have been obtained and provided at a much 7 earlier stage. And to be consistent and fair in 8 connection with the enforcement of this tribunal's 9 rules, it should be excluded just as you excluded the 10 PowerPoint.</p> <p>11 THE CHAIR: Anything further? CLM?</p> <p>12 Submissions by Ms. Ross</p> <p>13 MS. ROSS: Not in relation to this, but I 14 would add that we've not received any undertaking with 15 respect to the confidentiality requirement from -- from 16 this party as well.</p> <p>17 THE CHAIR: I believe Ms. Doebele has 18 those materials.</p> <p>19 MS. ROSS: We've not been provided with a 20 copy.</p> <p>21 MS. DOEBELE: We were planning to exhibit 22 before the in-camera, but we can absolutely do that at 23 this time and then upload to SharePoint if that would 24 be agreeable.</p> <p>25 MS. ROSS: Thank you.</p> <p>26 MS. DOEBELE: So we'll mark the</p>

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1 confidentiality undertakings for both parties as  
 2 Exhibit 70.01, and that will be up on SharePoint very  
 3 shortly.  
 4 EXHIBIT 70.01 - Confidential Undertakings  
 5 From Alberta Energy Regulator and Compliance  
 6 and Liability Management  
 7 THE CHAIR: Thank you, Ms. Doebele.  
 8 We'll take a -- and push back for now until we  
 9 confirm. We will be back shortly.  
 10 (ADJOURNMENT)  
 11 (WITNESSES STAND DOWN)  
 12 Decision  
 13 (WITNESSES RE-TAKE THE STAND)  
 14 THE CHAIR: Thank you, all, for your  
 15 patience.  
 16 The Panel has decided, similarly to the material  
 17 that AlphaBow looked to report yesterday morning, that  
 18 CLM will not be able to use the -- put the aids before  
 19 the witnesses. They may use it in their own reference  
 20 in their cross-examination, and we've decided this  
 21 because -- and we've taken the point in terms of --  
 22 that the -- the witness list has been available to CLM  
 23 since AlphaBow's filing the first submission, filed on  
 24 October 16th. We've had the substance of the  
 25 submissions since November 8th. So there has been lead  
 26 time.

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1 MS. ROSS: Zhang. Okay. I will try.  
 2 MS. ZHANG: Yeah. Thank you.  
 3 MS. ROSS: Thank you.  
 4 Q MS. ROSS: My first questions are for  
 5 Mr. Li. Mr. Li, between March 30th, 2023, when the  
 6 March order was issued and the first response from  
 7 AlphaBow was provided by Mr. Ironside on May 12th,  
 8 2023, besides the hiring of Mr. Ironside, what steps  
 9 was AlphaBow taking to address the RCAM order in the  
 10 requirements?  
 11 A MR. LI: I work with Mr. Ironside on  
 12 the -- prepare the response to the AER, so we send the  
 13 letter out on the May 12th, the response. At the same  
 14 time, we have the meeting in internal with the  
 15 VP operation, all the foremen, and -- and operation  
 16 team. We -- we directed them to put the more resource,  
 17 more attention on the compliance issue. We also  
 18 prepaid -- actually, before the March 30, we also  
 19 prepaid an environmental consultant to study more --  
 20 work on some groundwater monetary report and some  
 21 spill -- spill action plan.  
 22 Q Did you let any -- did you let the AER know any of this  
 23 information before May 12th?  
 24 A You know, March 30's order, it's 200 pages. It takes  
 25 us some time to prepare the -- a properly response to  
 26 AER. I cannot remember if we told AER what we are

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1 So, Ms. Ross and Ms. Lavelle, do you -- do you  
 2 need any time to adjust to -- to prepare or --  
 3 MS. ROSS: No, we don't. Thank you.  
 4 THE CHAIR: Okay. You're ready to  
 5 proceed. All right. We will -- let's start, and we  
 6 were scheduled for a break at -- the lunch break at  
 7 12:30. Let's plan to maintain -- maintain that timing.  
 8 Thank you.  
 9 Cross-examination Evidence of AlphaBow Energy Ltd.  
 10 MS. ROSS: Good morning, chairs. My name  
 11 is Candice Ross. I'll be doing the cross-examination  
 12 of Mr. Li and Mr. Ironside this morning.  
 13 My colleague, Ms. Lavelle, will follow with the  
 14 other cross-examination.  
 15 And, Amy, may I ask the correct pronunciation of  
 16 your last name, please, before I make a mistake.  
 17 MS. ZHANG: It's Amy Zhang, but most  
 18 people just say "Amy Zhang" 'cause it's easier, so  
 19 please go ahead and use that.  
 20 MS. ROSS: I would prefer to say it the  
 21 right way. Zhang.  
 22 MS. ZHANG: Zhang.  
 23 MS. ROSS: Zhang, with a -- like if it --  
 24 if it was spelled with a 'J' in English.  
 25 MS. ZHANG: Yeah. Z-H is pronounced as  
 26 "Jung".

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1 doing, but it's my understanding AER should be aware we  
 2 really work our best to try to meet every requirement  
 3 from AER.  
 4 Q And you acknowledge that the March order, the 200 pages  
 5 that you reference, most of that is a list of  
 6 AlphaBow's own sites. That's correct; right?  
 7 A If I understand, yes.  
 8 Q Yesterday, Mr. Li, when -- you discussed how rather  
 9 than renewing AlphaBow's old insurance because of the  
 10 price, you sought out a new policy. That's correct?  
 11 A Yes. We submit a new policy, yes.  
 12 Q And you were aware that Ms. Price had advised you that  
 13 she required the proof of insurance renewal by  
 14 March 28th; correct?  
 15 A Yes, I got that email.  
 16 Q Did you ever advise Ms. Price that you were attempting  
 17 to negotiate new insurance and that it was taking a  
 18 little longer than expected?  
 19 A I think on the March 21st email replies to Mr. Price --  
 20 sorry -- Ms. Price, we did mention about our group is  
 21 finalized the quotation for us.  
 22 THE COURT REPORTER: You didn't, or you did?  
 23 A MR. LI: I did. I did mention that our  
 24 broker is working on finalizing the proposal -- the  
 25 quotation. Sorry about that.  
 26 Q MS. ROSS: But you didn't tell her it was

<p style="text-align: right;">359</p> <p>1 a new policy? You -- you told her that it was a 2 renewal -- quotation for a renewal? 3 A At that time, yeah, I didn't talk about, because I 4 don't know the AER want very detailed information about 5 our new broker and the new policy, so, yes, I didn't 6 mention. 7 Q And you didn't think it might be relevant to the AER 8 and whether or not they were willing to give you some 9 leeway on the date if they knew it was a new policy 10 that you were negotiating; is -- 11 A That -- 12 Q -- that correct? 13 A That's no leeway there, because insurance policy 14 expired by March 31st. You cannot let it expire 15 without renew. You must get it done before it expire. 16 Q Mr. Li, yesterday you advised Mr. Stapon that on 17 March 29th when the AER asked you to attend a meeting 18 the following day regarding the issuing of an order, 19 you were planning on going to Vancouver to see your 20 sons, who were living there with your ex-wife; correct? 21 A Yes. 22 Q Did you actually go to Vancouver? 23 A I arrive in the airport. Then I saw the -- just before 24 I board, then I saw there's a email for Mr. Callicott 25 say he made a decision to issue the order, and, if I 26 remember correctly, I think that around 3 -- probably</p>	<p style="text-align: right;">360</p> <p>1 around 3 PM. So I let -- I called my sons, say, Sorry. 2 I cannot be there. So back to the office. 3 Q Oh. So you stayed in town, and you were aware that 4 Mr. Callicott offered to meet with you in person or by 5 telephone anytime on March 29th or 30th; correct? 6 A Back to office after I received that email say 7 Mr. Callicott already made a decision to issue the 8 order. 9 Q But you're also aware that Mr. Callicott offered to 10 still meet with you after he said that; correct? 11 A You know, as I explained before, I more like have my 12 team to set up to meet with the AER, and we also want 13 to know what's the Regulator action related to that we 14 can prepare. 15 Q And Ms. Olsen told you that it was in relation to an 16 order? 17 A Yeah, but which kind of order? 18 Q So you were in town on March 29th. You went back to 19 the office, and you didn't make any attempt to contact 20 Mr. Callicott to discuss or meet or make any other 21 arrangements, did you? 22 A Mr. Callicott already made it very clear. He already 23 made a decision to issue the order, so we just waiting. 24 Q Why did you have your counsel contact Mr. Callicott 25 instead? 26 A We did -- our counsel did a -- proposed an alternative</p>
<p style="text-align: right;">361</p> <p>1 day for Mr. Callicott before Mr. Callicott stated he 2 already made his order. He already made a decision. 3 Q Now, your counsel took you over the invoice for the 4 2023 Orphan Fund levy and the Administration Fund Levy 5 yesterday. You're aware that these are standard levies 6 that are issued yearly by the AER; correct? 7 A Yes, I understand. 8 Q And that they're issued at the same time for all 9 licencees? 10 A Yes, I understand. 11 Q Can you advise whether AlphaBow's paid these as of 12 today? 13 A We haven't paid them. 14 Q And, in fact, AlphaBow was also assessed a 20 percent 15 penalty; correct? 16 A Yes. 17 Q And you promised to pay that penalty but have not; 18 correct? 19 A We haven't paid that yet. 20 Q Has AlphaBow paid the security that was ordered in the 21 March order? 22 A We haven't. 23 Q AlphaBow has claimed throughout these proceedings that 24 it was the AER's attempt to marshal away funds intended 25 to pay municipalities by requesting the \$15 million in 26 security. Has AlphaBow paid the money that it owes to</p>	<p style="text-align: right;">362</p> <p>1 the municipalities? 2 A Even before the March order -- March 30th order from 3 AER, AlphaBow, it keep payment to the eight county on 4 the monthly payment. AlphaBow also reach -- in the 5 progress to reach a settlement agreement with 6 additional another five county. So my answer is: Even 7 before the order, we are paying the municipal county, 8 and we are planning to pay more in 2023. 9 Q Which counties have you paid? 10 A So that's county called Minburn, Number 27. 11 Q Pardon me? 12 A It's called county of the Minburn, M-I-N-B-U-R-N. 13 Q Thank you. 14 A The Municipal District of Provost and the Ponoka, 15 Lacombe, special area, Wheatland, Town of Hanna -- 16 THE COURT REPORTER: Sorry. Lacombe? "Special 17 area"? 18 A MR. LI: With -- yes, special area, and 19 the county L-A-C-O-M-B-E. I pronounce it "Lacombe". 20 Q MS. ROSS: Lacombe? 21 A Yeah. And the Wheatland County, Town of Hanna. That's 22 the county we are paying before the March orders. 23 Q And I understand that you still owe the County of 24 Flagstaff \$8-and-a-half million; is that correct? 25 A We have -- we have the judgment from court on the 2022 26 from Flagstaff. At that time, I was -- believe it was</p>

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1 about \$2.9 million. At early of 2023, before the  
 2 March order, we reached agreement with the Flagstaff  
 3 County on the monthly payment. The agreement -- the --  
 4 the point -- the basic term already agreed. We are  
 5 waiting for the finalized by the counsel of the County.  
 6 Actually, we got a letter from the counsel -- from the  
 7 legal counsel for the Flagstaff County. He mentioned  
 8 about it. They about to approve this term, and then  
 9 they saw AES order.  
 10 Beside the Flagstaff, we're also in the  
 11 negotiation with the County of Starland -- Starland  
 12 County, the County of Warner, and the Lamont County.  
 13 THE COURT REPORTER: Which one? Sorry. The end?  
 14 A MR. LI: Lamont.  
 15 THE COURT REPORTER: Oh, Lamont.  
 16 A MR. LI: L-A-M-O-N-T.  
 17 THE COURT REPORTER: Thank you.  
 18 Q MS. ROSS: You were in negotiations with  
 19 them. Is that what you said?  
 20 A MR. LI: Yes.  
 21 Q When did you receive the letter from Flagstaff County's  
 22 legal counsel saying that it -- did you say it had been  
 23 approved or was being approved?  
 24 A We -- we receive the letter -- actually, it's my legal  
 25 counsel, Ken, received the letter from the -- from the  
 26 Flagstaff counsel. It will be just right after

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1 A I cannot agree without verifying.  
 2 Q How about the County of Stettler, 173,000?  
 3 A I cannot agree on it without verifying.  
 4 Q And the County of Warner, 1.147 million?  
 5 A I cannot agree without verifying.  
 6 Q Are you able to verify that?  
 7 A You want me to right now?  
 8 Q Not right now, but you could give an undertaking to do  
 9 so.  
 10 A We can verify later.  
 11 Q Thank you.  
 12 MS. DOEBELE: And we'll mark that as  
 13 Undertaking Number 2.  
 14 MS. ROSS: Okay.  
 15 MR. STAPON: Agreed.  
 16 UNDERTAKING 2 - To verify the municipal taxes  
 17 owing  
 18 MS. ROSS: Can I have you pull up  
 19 Exhibit 9.1 at page 228, please?  
 20 Q MS. ROSS: Mr. Li, you'll see that this  
 21 is an email from Temple Price to you on April 10th,  
 22 2023; correct?  
 23 A MR. LI: Yes.  
 24 Q And it says: (as read)  
 25 Hi, Ben. We will accept the attached  
 26 financial statements for December 31, 2022,

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1 March 30th order. I cannot remember exactly date.  
 2 Q That's interesting, 'cause I've heard from legal  
 3 counsel for the County of Flagstaff who says the  
 4 8.5 million is still owing.  
 5 MR. STAPON: Objection. This is clearly  
 6 counsel giving evidence.  
 7 MS. ROSS: Just like you did many times.  
 8 A MR. LI: You know, as I -- I could  
 9 repeat myself. I -- I don't have the exact number in  
 10 front of me right now, but I do know the judgment for  
 11 Flagstaff County -- they got it in early 2022 -- is  
 12 about the \$2.9 million.  
 13 Q MS. ROSS: Sorry. Can you repeat that  
 14 for me.  
 15 A The Flagstaff County, they got a court judgment against  
 16 AlphaBow for the outstanding municipal tax. I -- I  
 17 believe that's early of the twenty -- this judgment, it  
 18 happened about early of 2022. That's around \$2.9 million.  
 19 Q I would agree with you on the judgment amount, but I --  
 20 my understanding is the current amount owing is  
 21 \$8.5 million. And do you agree with that amount?  
 22 A I cannot agree without verifying.  
 23 Q Would you agree that the amount owing to Lamont County  
 24 is currently 845,000-and-some?  
 25 A Same. I cannot agree without verifying.  
 26 Q What about Starland County, 1.484 million?

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1 as your interim quarterly Q4 update. A  
 2 reminder from the order, AlphaBow is still  
 3 required to submit third-party audited  
 4 [underlined "audited"] annual financial  
 5 statements and a financial summary  
 6 Directive 67, Schedule 3 once finalized or  
 7 within 180 days of fiscal year-end.  
 8 You received that letter --  
 9 A Yes.  
 10 Q -- or that email? Sorry.  
 11 A Yes, I did.  
 12 Q And can you go, then, to the next page, please. And do  
 13 you see that email, Mr. Li, where you say in response:  
 14 (as read)  
 15 Temple, we will start work on it right away.  
 16 Regards, Ben.  
 17 Did you say that to her?  
 18 A Yes.  
 19 Q Mr. Li, are you aware of an outstanding judgment to  
 20 Advance Drilling?  
 21 A I -- I know about it.  
 22 Q What can you tell me about that?  
 23 A Advance Drilling is a drilling company. They help  
 24 AlphaBow to drilling some wells, if I remember  
 25 correctly, about 2019 and 2020. So AlphaBow's planned  
 26 [sic] is supposed to be -- pay them off through the

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1 revenue generated by the new well, but once the COVID  
 2 hit, AlphaBow is not -- don't have the -- is not in  
 3 the position to pay them off, but Advance Drilling is  
 4 willing to work with AlphaBow. So in 2021 --  
 5 November 2021, AlphaBow reached the settlement with  
 6 Advance Drilling, would pay them percentage of oil  
 7 revenue every month until the outstanding balance been  
 8 paid off.

9 Q And do you know that there was a garnishee summons  
 10 issued to the AER for approximately 21 million from  
 11 Advance Drilling?

12 A I know about it, but I can't explain. In our  
 13 settlement made in 2021, November, AlphaBow pay the  
 14 percentage of revenue to Advance Drilling monthly, but  
 15 there's some default clause in that settlement  
 16 agreement. Why the default clause is, if any -- if  
 17 AlphaBow fall into the insolvency or lose their licence  
 18 to operate, AlphaBow will be in the default. So that  
 19 is the consent judgment signed in 2021 to -- for -- so  
 20 in case of AlphaBow default and the Advance Drilling  
 21 can go to the court, get a judgment.

22 And when AER issued the order -- June 5th  
 23 suspension order -- actually, the suspension order --  
 24 shut-in order, but Advance Drilling by mistake to think  
 25 this is shut down. They thought AER revoked AlphaBow's  
 26 licence. They thought AlphaBow fall into the default.

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1 Q What email exchanges?

2 A For example, we update the AER about the insurance  
 3 policy renewal.

4 Q I -- I'm asking specifically about the RCAM, the  
 5 reasonable care and measures portion of the order. Not  
 6 the March order in general, the RCAM portion.

7 MR. STAPON: With respect, commissioners,  
 8 the RCAM includes those very points. So if there's a  
 9 specific component of the RCAM that my friend is  
 10 referring to, I'll ask that she identify that.

11 MS. ROSS: That's incorrect. The -- we  
 12 have stated in our submissions that it is an order that  
 13 has RCAM provisions, not simply an RCAM order that  
 14 contains additional provisions.

15 A MR. LI: So what I can say -- because  
 16 RCAM order include the -- you know, the insurance  
 17 policy renewal, submit a financial statement, and  
 18 provide the information on the parenting company and  
 19 the director and also the -- the -- the site -- the  
 20 RCAM order provision. So at that time, I was more  
 21 taking care about the -- the insurance policy. I was  
 22 working with Amy on the financial statement and  
 23 providing the information about the parenting company,  
 24 and Rick -- Mr. -- Mr. Ironside is more focused on the  
 25 RCAM provision. He was focused on that.

26 Q MS. ROSS: Did you or did you not ask the

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1 That's why they go to the Court to get the -- the  
 2 garnished [sic]. But later, after, we explain to the  
 3 Advance Drilling we reached agreement; AlphaBow is not  
 4 in the default. So that garnished already been taken  
 5 off.

6 Q But you still owe the money for the judgment; correct?

7 A We owe them around 13, \$14 million, not the 21.

8 Q Thank you.

9 Going back to the RCAM plans, the reason that  
 10 AlphaBow didn't provide any response to the AER between  
 11 March 30th and May 12th was because they had asked for  
 12 a stay from the AER; correct?

13 A Could you repeat your question, please?

14 Q The reason that AlphaBow did not do anything toward --  
 15 or provide any response on the RCAM order to the AER  
 16 between the March 30th date and May 12th is due to  
 17 AlphaBow requesting a stay from the AER; correct?

18 MR. STAPON: With respect, objection,  
 19 commissioners. The evidence is that there were some  
 20 responses during that term. I reviewed them with  
 21 Mr. Li. There was not a full response, but there were  
 22 various communications in response to the order.

23 Q MS. ROSS: Was there any response in  
 24 relation to the RCAM specifically prior to May 12th?

25 A MR. LI: Actually, that's a lot of the  
 26 email exchange after March 30th orders.

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1 AER for a stay?

2 A I think our counsel did ask for a stay for the order.

3 Q And do you know the date the stay was denied?

4 A I know that stay was denied. I cannot remember which  
 5 day.

6 Q Does May 10th, 2023, sound familiar to you?

7 A Is it possible you can show me --

8 MR. STAPON: That's admitted, for the  
 9 record.

10 MS. ROSS: Good enough for me.

11 Q MS. ROSS: Mr. Li, is your legal name  
 12 Song Song Li?

13 A MR. LI: Yes.

14 Q And forgive me if I mispronounced it.

15 A Yes, Song Song.

16 Q Song Song. Thank you.

17 And are you a director in any other companies?

18 A Oh, I was involved over 30 companies.

19 Q 30 companies?

20 A Over 30. Let me explain a little bit. I'm in the real  
 21 estate development business. In the real estate, every  
 22 project you have a -- a company -- separate company to  
 23 handle to avoid the risk. Because you don't want one  
 24 project fail will cause the problem for other project.  
 25 For last 20 years, I involve a lot of the residential  
 26 and the commercial development. I involved -- I -- I



371	<p>1 cannot give the exact -- exactly number, but I believe 2 over 30. 3 Q And is that in China? 4 A No. It's all in Canada. 5 Q Okay. So it would be fair to say that you, in your 6 role in the 30 companies, have limited time to direct 7 full time to AlphaBow; is that right? 8 A No, you cannot say that because before I -- this -- 9 most of these 30 company, it pretty much -- most of 10 them is before the 2022 I came here. The project is 11 unfinished. The company is closed. 12 Q Sorry. The companies are closed? 13 A Yes. Every time you will finish a project, we just 14 close that company. 15 Q How many do you have open today? 16 A I would say probably five. 17 Q Are you familiar with a company called ABE Energy 001 18 Ltd.? 19 A Yes. 20 Q Are you a director of that company? 21 A Yes. 22 Q Are you aware of a company called ABE Energy 002 Ltd.? 23 A Yes. 24 Q Are you a director of that company? 25 A Yes. 26 Q Are you aware of ABE Energy 003 Ltd.?</p>	372	<p>1 A Yes. 2 Q Are you a director of that company? 3 A Yes. 4 Q Are you aware of ABE Energy 004 Ltd.? 5 A Yes. 6 Q Are you a director of that company? 7 A Yes. 8 Q Are you aware of ABE Energy 005 Ltd.? 9 A Yes. 10 Q Are you a director of that company? 11 A Yes. 12 Q Are you aware of the company called Calgary Green 13 Energy Investment Ltd.? 14 A Yes. 15 Q Are you a director of that company? 16 A Yes. 17 Q And are you aware of a company 1986114 Alberta Inc.? 18 A Yes. 19 Q Are you a director of that company? 20 A Yes. 21 Q Could I ask that Exhibit 9.01, page 211 be pulled up, 22 please. And the last company you just referred to, 23 1986114 Alberta Inc., you'll see as the parent company 24 to AlphaBow Energy Ltd.? 25 A Yes. 26 Q And it lists Duan Yueyi as the director; is that</p>
373	<p>1 correct? 2 A Yes. 3 Q Does it list you there? 4 A Okay. So this information was been provide on the 5 early of April 2023. At that time Mr. -- Ms. Yueyi, 6 Duan, was director of the 1986114 Alberta Ltd. I would 7 be -- I was replace her a couple months later to 8 dealing with some potential issue with that company. 9 Q Did you advise the AER of that? 10 A We didn't noticed the AER about the change in director 11 in 1986114. 12 Q And you'll note that up that chain there is Calgary 13 Green Energy Investment Corp., so like a great-great 14 grandparent of AlphaBow? 15 A Yes, I saw it. 16 Q Okay. And you are not listed as a director for that 17 one either, are you? 18 A In April 2023, I'm not a director of that company. I 19 was -- only become director of the company, I believe, 20 in September 2023 or maybe October. I cannot remember 21 exactly date. 22 Q Are you aware of the requirements under D67? 23 A Yes. 24 Q So then you're aware of Schedule 1 where you are to 25 report that information to the AER? 26 MR. STAPON: Sorry. With respect, what</p>	374	<p>1 information? If you are a director of an energy 2 company or any company? 3 MS. ROSS: An energy company. 4 MR. STAPON: Thank you. 5 Energy companies only, Mr. Li. 6 A MR. LI: So the Calgary Green Energy 7 Investment Corp. is actually not doing any operation 8 in -- in -- in Canada. It's just an investment 9 company. 10 Q MS. ROSS: And what about the other one? 11 A Which one? 1986114? 12 Q Correct. 13 A It's just the -- the holding company. 14 So I -- if you allow, I could do a little bit of 15 explaining on the -- 16 Q I didn't ask a question, sir. 17 Can we turn to Exhibit 9.1, page 712, please? 18 MS. DOEBELE: Can you just repeat the 19 page number for me? 20 MS. ROSS: Sorry. 21 MS. DOEBELE: I didn't catch the 22 page number. 23 MS. ROSS: 712. 24 Scroll down. Perfect. 25 Q MS. ROSS: Mr. Li, you'll see that these 26 are the May 18, 2023, meeting notes that your counsel</p>

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1 referred to earlier that he wasn't aware existed.  
 2 MR. STAPON: It's not circulated.  
 3 MS. ROSS: I didn't say that.  
 4 A MR. LI: I saw it, but this -- they  
 5 have notes. They say "meeting notes not circulated".  
 6 Q MS. ROSS: Correct. You'll see down  
 7 under "Financial Statements", Clause 7, it states:  
 8 (as read)  
 9 ABE stated audited financial statements would  
 10 cost approximately 100 K and add strain to  
 11 the resources.  
 12 Do you see that?  
 13 A Yes.  
 14 Q Did you say that?  
 15 A It didn't say who said this.  
 16 Q Did somebody say it at the meeting?  
 17 A You know, because this meeting notes never be  
 18 circulated, I -- you know, we made probably mention  
 19 about how much it would be cost, but I -- I cannot  
 20 verify -- say who said that.  
 21 Q That's quite a difference from your previous testimony  
 22 of 5 to 700,000. Wouldn't you agree?  
 23 A No. I can explain to you. Okay?  
 24 Q No, that's fine. Thank you.  
 25 A No, no, no. I want to do that. Because when you do  
 26 the audited financial statement, it says one year.

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1 the pipeline instead of drilling the new well. But  
 2 instead of the investor in AlphaBow with 260 million  
 3 ARO liability, investor feel more comfortable to invest  
 4 in some small-scale company. That's why we set up this  
 5 five company called "ABE Energy 001", "002", "003",  
 6 "004", and "005". It's all set up in our system. It's  
 7 not a secret. And we would -- so the invest -- we will  
 8 try to -- to line up the investor to invest to -- in  
 9 this company.  
 10 By the way, I forgot to mention. All this five  
 11 company is 100 percent owned by AlphaBow. So this all  
 12 set up in our system. So we actually -- so our VP of  
 13 operation, Mr. -- Mr. Kleinsasser, separate the five  
 14 area for investor to choose to invest the money. So  
 15 after they lined up around \$2 million in one area in  
 16 W5, and they planning to start on the summer of the  
 17 2023, and the investor is back out after they saw the  
 18 order of the March -- March 30th order from AER.  
 19 Q And you look like you're reading some materials there  
 20 to --  
 21 A I write it, and -- but it -- it's most because --  
 22 and -- sorry. I -- I just write something there.  
 23 Okay? And I want to let you know this five companies  
 24 is -- haven't been operated since beginning. It's in  
 25 our system, but we haven't operated. We are planning  
 26 to bring the \$2 million investment in one of the

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1 That's probably cost, like, say, \$100,000. But when  
 2 the third-party accounting firm, they come to audit,  
 3 they just say, AlphaBow, you -- you -- you don't have  
 4 audited statement for last five, seven years; we cannot  
 5 only audit for this one year; that's about a couple  
 6 years efforts need to be put in there. So that's a  
 7 minimum of \$500,000.  
 8 Q Respectfully, I disagree, but -- and I think so does  
 9 whoever at AlphaBow stated that here. But in any  
 10 event, Mr. Ironside talked about all of those  
 11 circumstances in his letters that, you know, needed a  
 12 new reserves report, needed to catch up the four years.  
 13 So it's not like you knew you were dealing with more  
 14 than one year here.  
 15 A That's why we won't have the meeting notes be  
 16 circulated. Then we know what exactly be said in that  
 17 meeting to avoid a miscommunication. I don't  
 18 understand why this meeting notes haven't been  
 19 circulated.  
 20 Q Mr. Li, what's the purpose for the ABE Energy 1 through  
 21 5 companies?  
 22 A Okay. So after July 28, 2022, order from AER, AlphaBow  
 23 has been not allowed to apply the new well licence that  
 24 is restrained AlphaBow's ability from getting the new  
 25 revenue. Under this circumstances, AlphaBow tried to  
 26 bring the investor to do more work over and is repair

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1 company in summer of 2023.  
 2 Q But they're clearly energy companies, by their name;  
 3 correct?  
 4 A Actually, this kind of company, they're not going to  
 5 own any well; they're not going to apply licence  
 6 from -- from the government. So I will say they  
 7 probably be just the investment company.  
 8 Q You say that.  
 9 MS. ROSS: Those are all my questions  
 10 for, Mr. Li.  
 11 A MR. LI: They -- they didn't own the  
 12 licence. They didn't own the land. They just try to  
 13 get the investor.  
 14 Q MS. ROSS: I don't have a question, sir.  
 15 MR. STAPON: He's responding to the comment  
 16 "you say that", with respect.  
 17 MS. ROSS: And he already said the same  
 18 evidence previously.  
 19 Q MS. ROSS: Thank you, Mr. Li.  
 20 Mr. Ironside, I believe yesterday you stated  
 21 AlphaBow is current with all of its royal payments --  
 22 royalty payments; is that right?  
 23 A MR. IRONSIDE: At a point in time, yes.  
 24 Q What does that mean?  
 25 A And I think I qualified that that was -- that statement  
 26 was made in my May 12th letter.

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1 Q I'm reading from page 110 of the transcript yesterday:  
 2 (as read)  
 3 And so as at -- outstanding as of May 12  
 4 or -- or the accounting in response to the  
 5 March order that was completed as of  
 6 May 12th, but as the end of March, we are  
 7 current on royalties, current with our  
 8 payments on public lands, current with our  
 9 payments to the AER and the Orphan Well  
 10 Association and with vendors. We were either  
 11 current subject to a payment plan, or we had  
 12 a dispute.  
 13 Did you say that?  
 14 A Yes.  
 15 Q Thank you.  
 16 Can we pull up Exhibit 13.01?  
 17 Mr. Ironside, this was a request to participate  
 18 received from three royalty holders, Melvin Auten,  
 19 Doreen Broska, and -- can you scroll up, please --  
 20 Dennis Jones. They state that they haven't been paid  
 21 royalties since 2019. That's contrary to your  
 22 information; correct?  
 23 A I don't see a date on this letter.  
 24 Q It's at the top, or it's on our record as a request to  
 25 participate. I'm sure the AER can find the date it was  
 26 received. It was certainly since the -- the notice of

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1 to participate if a date is of issue here.  
 2 MS. ROSS: Sure. That's fine.  
 3 MS. DOEBELE: Would that be helpful?  
 4 MS. ROSS: For the record, I think it  
 5 would be helpful.  
 6 MS. DOEBELE: Okay. We will do that in the  
 7 background.  
 8 MS. ROSS: Thank you.  
 9 Sorry. Just give me a moment. I'm just looking  
 10 for something in this giant document.  
 11 Q MS. ROSS: And, Mr. Ironside, in relation  
 12 to unpaid royalties, there is also an outstanding  
 13 judgment, it appears, based on a writ of enforcement  
 14 registered on October 2nd, 2023, for a current amount  
 15 of 129,318.51 to Freehold Royalties Partnership. Are  
 16 you aware of those outstanding royalties?  
 17 A I am not, and I don't see anything -- is there  
 18 something I -- I can see related to that? I have some  
 19 thoughts about it.  
 20 Q Those were excluded.  
 21 A Well, I do know that -- that Freehold Royalties is a  
 22 significant account, and it seems entirely plausible to  
 23 me that payments to freehold royalties were current as  
 24 at March -- somewhere between March 30th and -- and  
 25 May 12th and that they may be outstanding to -- what  
 26 did you say? \$129,000?

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1 hearing went out. So it's not current; correct?  
 2 A I am unaware of this. I have not seen it before. And  
 3 in my deliberations in preparing the letter for  
 4 May 12th, I worked with our land group and -- and our  
 5 accounting group and discussed all of the royalties  
 6 that we had on our system, and I was advised that we  
 7 were current.  
 8 I'm reading this, though, and I'm seeing something  
 9 about Computershare Trust. So am I supposed to advise  
 10 you that Computershare Trust has not -- has or has not  
 11 paid them, or what is your question?  
 12 Q The question was whether or not this letter appears to  
 13 indicate that the royalties are not paid to these three  
 14 royalty holders; correct?  
 15 A It appears to indicate that three -- three different  
 16 individuals are alleging that. It also appears to have  
 17 no date. It appears -- it appears to be unclear as to  
 18 who hasn't paid them, if they say they are connected by  
 19 way of participation of Computershare Trust. And that  
 20 would imply that it's AlphaBow's obligation to -- to  
 21 pay Computershare.  
 22 THE CHAIR: Ms. Doebele?  
 23 MS. DOEBELE: Thank you, chairs,  
 24 Commissioner Chiasson.  
 25 Ms. Ross, I'm wondering if it would be helpful if  
 26 we found the original email that provided the request

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1 Q Yes, I did.  
 2 A So --  
 3 Q But you said "current" yesterday.  
 4 A No, no, no. When I -- when I was --  
 5 MR. STAPON: He's current to March 30th.  
 6 A MR. IRONSIDE: Current to March 30th was my  
 7 statement. At the time that I was putting together the  
 8 May 12th letter, they were either current to March 30th  
 9 and/or shortly after March 30th was what I was  
 10 attesting yesterday.  
 11 Q MS. ROSS: I don't believe that's the  
 12 case, but we'll let the record speak for itself.  
 13 A Well, how could I -- if you don't believe that's the  
 14 case, maybe you could answer this: How could I attest  
 15 that something's current to October 12th --  
 16 THE CHAIR: Mr. Ironside, please let  
 17 Ms. Ross continue with her questions.  
 18 A MR. IRONSIDE: Thank you.  
 19 Q MS. ROSS: Mr. Ironside, was the reason  
 20 the first RCAM plan letter that you provided to the AER  
 21 on May 12th three days before the deadline because you  
 22 were waiting to see whether or not you got a stay from  
 23 the AER?  
 24 A That was probably a factor, but I would submit that in  
 25 the period of time from April 4th when I became  
 26 involved that a great deal of effort was going into the

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1 preparation of that letter, a great deal of effort was  
 2 going into a lot of communication with the AER by a lot  
 3 of AlphaBow staff regarding a lot of the issues, and we  
 4 were preparing the best response that we could.  
 5 Q Were steps being taken in the meantime in case you  
 6 didn't get a stay?  
 7 A I don't understand the question.  
 8 Q Was AlphaBow taking any steps in relation to reasonable  
 9 care and measures of its sites in the meantime on the  
 10 assumption that it might not get a stay?  
 11 A Yes. We were doing everything we could to ensure that  
 12 we would be compliant and address all the issues as  
 13 quickly and reasonably as we could.  
 14 Q Did you tell Mr. Callicott that before May 12th?  
 15 A I did not personally communicate that to Mr. Callicott,  
 16 but I am aware of many emails with regard to many  
 17 issues that were sent by AlphaBow staff to Alberta  
 18 Energy Regulator staff in the interim.  
 19 Q And even when you did respond on May 12th, in a number  
 20 of the paragraphs of your response, you argue about the  
 21 reasonability of the requests and state that AlphaBow  
 22 is attempting to get a stay from the Court of Appeal;  
 23 correct?  
 24 A Correct.  
 25 Q Did AlphaBow get a stay Court of Appeal?  
 26 A AlphaBow had requested a stay. AlphaBow's request was

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1 Proceedings taken at Govier Hall, Calgary, Alberta.  
 2 \_\_\_\_\_  
 3 November 28, 2023 Afternoon Session  
 4  
 5 C.L.F. Chiasson Hearing Commissioner  
 6 M.A. Barker Hearing Commissioner  
 7 S.F. Mackenzie Hearing Commissioner  
 8  
 9 A. Huxley Counsel for the Panel  
 10 A. Doebele Counsel for the Panel  
 11 C. Ross AER Counsel - CLM Branch  
 12 M. Lavelle AER Counsel - CLM Branch  
 13 D. Parsons AER Staff  
 14 T. Wheaton AER Staff  
 15 E. Arruda AER Staff  
 16 A. Stanislavski AER Staff  
 17  
 18 G. Stapon For AlphaBow Energy Ltd.  
 19 K. Cameron  
 20  
 21 R.M. Johanson, CSR(A) Official Court Reporter  
 22 A. Porco, CSR(A) Official Court Reporter  
 23 \_\_\_\_\_  
 24 (PROCEEDINGS COMMENCED AT 1:17 PM)  
 25 Discussion  
 26 THE CHAIR: So, Ms. Ross, before you

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1 denied.  
 2 THE CHAIR: Ms. Ross, we're at what would  
 3 be the lunch break. Is this a convenient spot for you  
 4 to leave off?  
 5 MS. ROSS: Yes, Chair Chiasson.  
 6 THE CHAIR: Thank you. I know. I realize  
 7 that -- that's a mouthful.  
 8 MS. ROSS: I'm not as old school as  
 9 Mr. Stapon, but I'm still old school.  
 10 THE CHAIR: Yeah. So I appreciate that,  
 11 and I know it is a bit of a mouthful with lots of  
 12 "C-Hs".  
 13 MS. ROSS: We will learn.  
 14 THE CHAIR: Thank you. I appreciate -- I  
 15 appreciate the effort.  
 16 So we will break now at 12:30. 45 minutes of  
 17 lunch, so we will return at 1:15. As we indicated when  
 18 we were taking the earlier break before, witnesses are  
 19 still under oath. Do not discuss your -- do not  
 20 discuss your testimony or the cross-examination with  
 21 each other, and we will return back at 1:15.  
 22 (WITNESSES STAND DOWN)  
 23 \_\_\_\_\_  
 24 PROCEEDINGS ADJOURNED UNTIL 1:15 PM  
 25 \_\_\_\_\_  
 26

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1 start, we have, I think, a matter for the -- for the  
 2 record, Ms. Doebele.  
 3 MS. DOEBELE: Thank you, Commissioner  
 4 Chiasson. We were just going to or proposing to mark  
 5 as Exhibit 13.02 the corresponding email that came in  
 6 with the request to participate on August 21st, 2023,  
 7 and just confirming that counsel have no objections to  
 8 that being marked as Exhibit 13.02 for the purposes of  
 9 just simply giving it a date stamp.  
 10 MR. STAPON: That is correct. No  
 11 objection.  
 12 MS. LAVELLE: No objection. Thank you.  
 13 MS. DOEBELE: Thank you.  
 14 EXHIBIT 13.02 - 2023-08-21 - Jones, Auten and  
 15 Broska Request to Participate  
 16 THE CHAIR: Okay. So, Ms. Ross, I think  
 17 you can proceed now. We had -- based on my  
 18 calculations, if we start now and we go for two hours  
 19 to about 20 past 3, that should put us in the ballpark  
 20 the time we had allocated for CLM for  
 21 cross-examination, and you can let us know if it's --  
 22 MS. ROSS: Sure. I don't expect to be  
 23 actually that much longer. My colleague will then  
 24 cross-examine in --  
 25 THE CHAIR: On the in-camera or ...  
 26 MS. ROSS: First she will do the

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1 nonconfidential portion in relation to Ms. Zhang, and  
 2 then we will go in-camera for her --  
 3 THE CHAIR: Yeah.  
 4 MS. ROSS: -- cross-examination of that.  
 5 THE CHAIR: Okay. So perhaps,  
 6 Ms. Lavelle, when you're done with the questions in the  
 7 open portion, you can let us know, because the Panel  
 8 may have some questions for the witness panel before we  
 9 move into -- move into the cross-examination. So we  
 10 will -- we will look right now. Depending on that, we  
 11 will ballpark for a break about -- in about two hours,  
 12 depending on where we get to the in-camera piece.  
 13 MS. LAVELLE: Chair, if I may just also --  
 14 we don't have, or at least I don't know that I have the  
 15 confidential record as an exhibit, and so I think prior  
 16 to going into the confidential portion, I will need  
 17 some time just to be able to find the document numbers  
 18 so that I can refer to them correctly. And I assume my  
 19 friends will need the same.  
 20 MR. STAPON: Of course we'll assist.  
 21 THE CHAIR: Okay. So, Ms. Wheaton, if we  
 22 can make sure that there's access for the parties,  
 23 then, on that portion. Thank you.  
 24 RICK IRONSIDE, BEN LI, Previously Sworn.  
 25 WYMAN PEDERSON, KIM SERGINSON, AMY ZHANG, Previously  
 26 Affirmed

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1 we came to a point where we don't -- we're not even  
 2 allowed on our sites. So I would say that from the  
 3 point in time where the June order was made, I don't  
 4 believe a huge amount of abandonment work was done. I  
 5 do know that some was. I do know that there -- like,  
 6 for example, there was a well that was considered a  
 7 fairly severe surface casing vent flow well, and I know  
 8 that work was being done to abandon that well or to  
 9 remedy the surface casing vent flow prior to us losing  
 10 custody of the sites.  
 11 So we were doing certain things, and we had  
 12 advised the AER that the June order was making it  
 13 difficult for -- was going to make it difficult for us  
 14 to meet the commitments with regard to mineral expiry  
 15 wells.  
 16 Q And you say that some were actual abandonments; is that  
 17 correct?  
 18 A We were doing work on -- on -- at least we were  
 19 attempting -- I'm -- I'm certain we were attempting to  
 20 remedy a surface casing vent flow that was the only  
 21 remaining severe surface casing vent flow, which, to my  
 22 understanding, would require abandoning that well, so I  
 23 believe that operation as a minimum was underway.  
 24 Q Could you undertake for me to provide a list of the  
 25 actual abandonments that occurred on those mineral  
 26 rights expired wells?

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1 Cross-examination Evidence of AlphaBow Energy Ltd.  
 2 Q MS. ROSS: Mr. Ironside, when we left  
 3 off, we were talking a bit about the compliance with  
 4 the RCAM order. Can you tell me whether AlphaBow has  
 5 taken any steps to date to abandon its mineral lease  
 6 expired wells?  
 7 A MR. IRONSIDE: Can you be specific by what  
 8 you mean by "any steps"?  
 9 Q I mean any.  
 10 A So as we were coming up to the June order, we did  
 11 provide a -- a list on a month-by-month basis of our  
 12 plan for all of the wells. We had posted some of the  
 13 minerals, and we had started making some plans, and I  
 14 think we subsequently may have communicated that with  
 15 the June order -- that it would be -- was becoming  
 16 difficult to meet some of those commitments.  
 17 Q And were any expired mineral lease re-acquired as a  
 18 result of the -- the posting?  
 19 A So even within the list of wells that I had provided  
 20 that we reviewed earlier today, I had given a list  
 21 where some of the expired minerals had been  
 22 re-acquired, but perhaps -- perhaps since the  
 23 enforcement of the June order, I don't believe that we  
 24 have acquired any minerals since then.  
 25 Q And have any actual well abandonments occurred?  
 26 A Again, since the enforcement of the June order, we --

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1 A Since we provided the plan at the end of June, yes.  
 2 Q Since the March order, please.  
 3 MR. STAPON: That may take a lot of time.  
 4 We're prepared to consider the undertaking and advise  
 5 whether it's capable of being addressed during the  
 6 course of the hearing.  
 7 THE CHAIR: And when might we expect that  
 8 advice, Mr. Stapon?  
 9 MR. STAPON: I don't know how long it will  
 10 take, commissioner, and we're going to have to inquire  
 11 of our clients after they're through with  
 12 cross-examination to determine the feasibility in  
 13 compliance in connection with how much review it's  
 14 going to take, how long it will take, and what's  
 15 required for that process.  
 16 THE CHAIR: Well, let's look for an update  
 17 from you tomorrow morning, please.  
 18 MR. STAPON: That's agreeable to us.  
 19 Q MS. ROSS: Mr. Ironside, can you remind  
 20 me when you began working with AlphaBow originally?  
 21 A MR. IRONSIDE: April 2018.  
 22 Q And it was your testimony that AlphaBow was, I think  
 23 you said, doing okay up until the pandemic; is that  
 24 right?  
 25 A Yes. We were current -- to the best of my knowledge,  
 26 we were current and substantially paying all of our

<p style="text-align: right;">391</p> <p>1 outstanding bills.</p> <p>2 Q Okay. And could we pull up Exhibit 80 -- 8.01,</p> <p>3 page 41, please. Do you recognize this as -- as</p> <p>4 minutes of the October 22nd, 2019, meeting with the AER</p> <p>5 which you attended?</p> <p>6 A Yes. I'm just reading them now.</p> <p>7 Q Okay.</p> <p>8 A This -- this seems appropriate.</p> <p>9 Q Would you agree that AlphaBow was already struggling at</p> <p>10 that point?</p> <p>11 A No.</p> <p>12 Q And why not?</p> <p>13 A Because, as I stated, we were -- to the best of my</p> <p>14 knowledge, we were current on paying our bills, and we</p> <p>15 had a business plan, and we were undertaking at that</p> <p>16 time to grow our oil. And we were -- we were -- we</p> <p>17 were undertaking to drill wells, and we had a business</p> <p>18 plan that we had absolutely shared with the AER in that</p> <p>19 regard, and I felt that the company at that time was a</p> <p>20 going concern, and I know very clearly that's how I</p> <p>21 felt, and, to me, a going concern is a viable, ongoing</p> <p>22 enterprise.</p> <p>23 Q But, to be fair, by 2019, there was already an unpaid</p> <p>24 bill to Advance Drilling for wells that had been</p> <p>25 drilled. There -- it states here "to survive and focus</p> <p>26 on growing light oil". "Survive" doesn't exactly sound</p>	<p style="text-align: right;">392</p> <p>1 thriving.</p> <p>2 A Would you point out --</p> <p>3 Q Unable to make (INDISCERNIBLE - OVERLAPPING SPEAKERS).</p> <p>4 THE COURT REPORTER: Sorry. I can't understand you</p> <p>5 both at the same time. Can you start again?</p> <p>6 A MR. IRONSIDE: I -- I need to see the</p> <p>7 specific statement you're referring to. Can you tell</p> <p>8 me where exactly it is on the page, 'cause I haven't</p> <p>9 found it.</p> <p>10 Q MS. ROSS: With respect to what?</p> <p>11 A Are you quoting -- are you quoting a statement from</p> <p>12 this exhibit that's in front of us?</p> <p>13 Q Yes. (as read)</p> <p>14 To survive and focus on growing light oil</p> <p>15 production and cash flow.</p> <p>16 A That's a company priority. I mean, are these minutes</p> <p>17 minutes that were circulated? And we -- and -- and we</p> <p>18 responded with comments back?</p> <p>19 Q It doesn't say "uncirculated". It also says:</p> <p>20 (as read)</p> <p>21 Unable to meet closure commitments, slowing</p> <p>22 down ARO due to lower WTI price than</p> <p>23 forecast, will not be D13 compliant</p> <p>24 participating in ABC, and focusing on Kikino</p> <p>25 wells reclaiming as much as possible to</p> <p>26 decrease operating costs. LMR will drop to</p>
<p style="text-align: right;">393</p> <p>1 0.97 in November.</p> <p>2 This meeting was actually in relation to a request for</p> <p>3 variance by AlphaBow with respect to its LMR security;</p> <p>4 correct?</p> <p>5 A I think -- I think most of the meetings -- so I</p> <p>6 wouldn't say that that was the purpose of the meeting.</p> <p>7 I think at this time, most of the meetings that we had,</p> <p>8 almost exclusively with the AER, were at my request,</p> <p>9 and I think these were update meetings. So to</p> <p>10 characterize the meeting as a request for variance, I</p> <p>11 don't think that's correct.</p> <p>12 Q Well, we'll hear from Ms. Olsen on that.</p> <p>13 A Okay. I know that I had provided a projection that LMR</p> <p>14 was going to drop to .97 in November, which you pointed</p> <p>15 out, but you didn't point out the rest of it, that</p> <p>16 AlphaBow is forecasting it will climb to 1.01 in</p> <p>17 January and be 1.35 by December 2020. So, I mean, we</p> <p>18 did provide an LMR forecast, and we did update on our</p> <p>19 business plans. And I have to say that I'm pretty sure</p> <p>20 that our outlook was much more optimistic than just</p> <p>21 surviving, given the wells that we were undertaking to</p> <p>22 drill and the growth that we were planning on our light</p> <p>23 oil production. So I wouldn't have characterized it</p> <p>24 this way. If somebody took meeting notes that -- that</p> <p>25 are different from my perspective, that's their</p> <p>26 business.</p>	<p style="text-align: right;">394</p> <p>1 Q Do you keep meeting notes?</p> <p>2 A I wouldn't have needed to keep meeting notes on this</p> <p>3 meeting because I -- I have the presentation that would</p> <p>4 have been given, and I would have walked through. I</p> <p>5 have it with me, if I -- if I -- if you wanted to see</p> <p>6 it.</p> <p>7 Q Yes. I'd like that undertaking, please.</p> <p>8 MR. STAPON: You have that undertaking.</p> <p>9 UNDERTAKING 3 - To provide the PowerPoint</p> <p>10 presentation prepared by Mr. Ironside for the</p> <p>11 October 22, 2019, meeting</p> <p>12 Q MS. ROSS: Mr. Ironside --</p> <p>13 MS. DOEBELE: Apologies, Ms. Ross. Just</p> <p>14 marking that as Undertaking Number 3.</p> <p>15 MS. ROSS: Thank you.</p> <p>16 Q MS. ROSS: Mr. Ironside, what generally</p> <p>17 happened at the AER back then in 2019 when LMR dropped</p> <p>18 below 1?</p> <p>19 A MR. IRONSIDE: For who?</p> <p>20 Q What did it trigger for a licensee?</p> <p>21 A I think there was a wide variability in what it</p> <p>22 triggered for licensees, depending on the licensee's</p> <p>23 history and their financial capacity. So, again, I</p> <p>24 would say: For who?</p> <p>25 Q Is it true that there was an automatic security</p> <p>26 triggering once a licensee's LMR dropped below 1?</p>

<p style="text-align: right;">395</p> <p>1 A No, I don't think so. I don't think there was an 2 automatic requirement. I think it was a discretionary 3 requirement. 4 Q Mr. Ironside, earlier you said you were a CEO of 5 multiple public companies in the past. Can you advise 6 what those companies were? 7 A I had said that I was COO -- 8 Q Pardon me. COO -- 9 A -- and CEO -- 10 Q Oh. 11 A -- of multiple public companies. I was COO of Defiant 12 Energy. I was CEO of Defiant Resources. I was COO for 13 a time and CEO of a company called Thunder Bird Energy 14 that had assets in Utah but traded in -- on the stock 15 exchange in Canada, and that company changed its name 16 to Gordon Creek Energy, LLC. 17 And then I was founder and CEO of a company called 18 Artisan Energy, which -- I continued in that position 19 until December 2016, at which point I left that 20 organization. And I did offer to stay on as a 21 director, but because the new CEO did not want my 22 interference in the company going forward, I was told 23 that they didn't need me on the board from January 1st 24 of 2016. And that -- those are the positions and -- 25 and the companies that I was COO and CEO of. 26 Q I did a quick Google search of Artisan Energy over</p>	<p style="text-align: right;">396</p> <p>1 lunch, and I understand that it reported being a -- was 2 no longer viable by May 2016; is that correct? 3 A I don't know. I know that one of the reasons that I 4 left that organization is that the board of directors 5 was assuming some control, and -- and there were some 6 transactions with some -- I would have to say "related 7 companies" because of certain directors, but I wasn't 8 aware of this, and I was not a director at that time. 9 Q Were you still CEO? 10 A No. 11 Q I thought you said you left in December 2016. 12 A December 2015 I left. In January of 2016, I started 13 doing a whole bunch of specialized drilling for 14 geothermal. 15 Q And earlier you were talking about a potential 16 reactivation plan for AlphaBow, and you mentioned 17 that -- did you say you were -- you had already been 18 appointed as COO of AlphaBow or you would be if -- if 19 it's reactivated? 20 A If AlphaBow -- if -- if the March and June orders were 21 to be in some way set aside, rescinded, altered, and 22 there was an opportunity for AlphaBow to go ahead and 23 pursue a -- a plan for surviving, I would take on the 24 role of COO, yes. 25 Q Now, Mr. Ironside, a search of you at APEGA indicates 26 that you're currently a PEng and nonpracticing life</p>
<p style="text-align: right;">397</p> <p>1 member; is that correct? 2 A That's correct. 3 Q And do you know what it means to be nonpracticing? 4 A Yeah. I have an idea of what it means. I -- I asked 5 some questions before I made the decision because if I 6 had wanted to be a practicing engineer, I could be. It 7 was a choice to become a nonpracticing engineer and a 8 life member. 9 Q And is it your evidence that you don't view any of 10 the -- any of the advising on, reporting on, 11 evaluating, preparing plans and specifications for 12 AlphaBow as practicing engineering? 13 A And I will state that that is my view, but I will 14 qualify that by telling you that AlphaBow has qualified 15 engineers employed and that when I discussed what being 16 a life member and being able to call myself a PEng with 17 APEGA meant, I learned that I was allowed to call 18 myself a PEng. I also learned that I was allowed to 19 discuss engineering with other engineers and, in fact, 20 mentor younger engineers. And so AlphaBow has younger 21 engineers. AlphaBow has -- maybe not current because 22 it -- it may just have lapsed, but AlphaBow has a 23 permit to practice -- an engineering permit to 24 practice, to the best of my knowledge. But I'm not the 25 person that would perhaps -- for example, if it came to 26 putting an engineering stamp on something, stamp it and</p>	<p style="text-align: right;">398</p> <p>1 sign it as an engineer because I'm no longer allowed to 2 do that. 3 And I would also further state that my 4 qualifications are beyond just my engineering history. 5 I have an MBA. I -- I could be -- if I wanted to be, I 6 could have the designation of ICD.D, which is the 7 Institute of Corporate Directors, which relates largely 8 to governance. 9 And so I would characterize my involvement with 10 AlphaBow much more as management and management 11 consulting than engineering, but certainly I'm 12 qualified to discuss engineering with engineers. 13 Q Have you discussed the work that you do at AlphaBow, 14 particularly with respect to your CO2 work with APEGA? 15 A I don't understand the question. Are you alleging that 16 sharing some knowledge about CO2 would be a 17 contravention, that I would have to be an engineer to 18 know something about CO2? Is that what you're 19 suggesting? 20 Q I'm not alleging anything. 21 A So -- 22 Q Those are my questions. Thank you, Mr. Ironside. 23 A -- why -- why would I discuss that with APEGA? 24 MS. LAVELLE: Thank you, chair and Panel. 25 I have some questions for Ms. Zhang that I would 26 like to ask Ms. Zhang.</p>

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<p>1 THE CHAIR: Yes.</p> <p>2 Q MS. LAVELLE: So, Ms. Zhang, we heard</p> <p>3 yesterday that you began working as an accounting</p> <p>4 manager at AlphaBow on October 31st, 2022; is that</p> <p>5 correct?</p> <p>6 A MS. ZHANG: That's correct.</p> <p>7 Q And previously you have said you worked as an oil and</p> <p>8 gas accountant with -- with Cenovus; correct?</p> <p>9 A Yes.</p> <p>10 Q M-hm. And was your position at Cenovus a management</p> <p>11 position?</p> <p>12 A No, it wasn't.</p> <p>13 Q And how many people reported to you directly at</p> <p>14 Cenovus?</p> <p>15 A I didn't have anyone reporting underneath me.</p> <p>16 Q Thank you.</p> <p>17 When you began your position at AlphaBow, how many</p> <p>18 direct reports did you have?</p> <p>19 A Eight to nine.</p> <p>20 Q Eight to nine.</p> <p>21 And currently at AlphaBow, how many direct reports</p> <p>22 do you have?</p> <p>23 A After we had to let go of a lot of people? Currently</p> <p>24 we have -- it would be -- we only have two remaining</p> <p>25 under me.</p> <p>26 Q Two remaining.</p>	<p>1 Who are those two? What did they do?</p> <p>2 A One would be AP, and then one would be just general</p> <p>3 accounting, AA with -- she did -- what's it called --</p> <p>4 HR and marketing.</p> <p>5 Q So I think you said yesterday that "AP" refers to</p> <p>6 accounts payable.</p> <p>7 A Accounts payable, yeah.</p> <p>8 Q Thank you.</p> <p>9 A 'Cause we still have payments to make. We don't have</p> <p>10 any more production, so the -- we wouldn't need the</p> <p>11 production accountants.</p> <p>12 Q Okay. Thank you.</p> <p>13 So your CV indicates that you are a consultant</p> <p>14 rather than an employee of AlphaBow; is that correct?</p> <p>15 A Yeah. I was hired by a recruiter.</p> <p>16 Q And so why are you a consultant and not an employee?</p> <p>17 A Because I provide management consulting there.</p> <p>18 Q Okay.</p> <p>19 A Yeah. And also I -- yeah, it wasn't -- or when I first</p> <p>20 started also was part-time.</p> <p>21 Q And are you part-time now?</p> <p>22 A Yes, I'm part-time now.</p> <p>23 Q And I believe you said yesterday you have another job.</p> <p>24 Is that true?</p> <p>25 A Yes, I accept an offer somewhere else.</p> <p>26 Q Okay. And where -- where is that other job?</p>
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<p>1 A At Impact Sales.</p> <p>2 Q Pardon me?</p> <p>3 A Impact Sales.</p> <p>4 Q Impact Sales.</p> <p>5 And so why are you just part-time at AlphaBow?</p> <p>6 A Well, in September, we stopped -- or there's the --</p> <p>7 what is it -- ODB took over the wells, so everything</p> <p>8 got shut off. I don't think they would need me there</p> <p>9 full-time, and so I -- pretty much sticking around to</p> <p>10 help with any essential stuff that's required.</p> <p>11 Q And when did you start your -- your job at Impact</p> <p>12 Sales?</p> <p>13 A Just actually last week and not even fully. It's</p> <p>14 just -- more just training. So they're accommodating</p> <p>15 my -- accommodating this hearing. So the -- so I was</p> <p>16 supposed to start December 1st officially full-time,</p> <p>17 but then I spoke to them, so we've postponed it 'cause</p> <p>18 this hearing is until the -- the 1st.</p> <p>19 Q Okay. And have you had another job during any other</p> <p>20 period of your employment -- or your consultancy with</p> <p>21 AlphaBow?</p> <p>22 A Before?</p> <p>23 Q Correct.</p> <p>24 A Yeah.</p> <p>25 Q And when was that?</p> <p>26 A So I was working at Howon restaurant. So when? The</p>	<p>1 time?</p> <p>2 Q Correct. Yes.</p> <p>3 A It would be 2021, and I'm still working there on the</p> <p>4 weekends.</p> <p>5 Q Okay. Thank you.</p> <p>6 So turning to when you started work at AlphaBow.</p> <p>7 Who did you replace at AlphaBow?</p> <p>8 A I -- I wouldn't say "replace". When I start -- I --</p> <p>9 when I was interviewed there, I asked to be the</p> <p>10 accounting manager.</p> <p>11 Q You asked? Sorry. Did I hear you?</p> <p>12 A M-hm.</p> <p>13 Q You asked to be accounting manager?</p> <p>14 A Yeah. Because I think that's the next progression with</p> <p>15 my career.</p> <p>16 Q Okay. And who do you report to?</p> <p>17 A I report to Ben.</p> <p>18 Q Ben. Okay. Directly?</p> <p>19 A Yes.</p> <p>20 Q Okay. Thank you.</p> <p>21 So is there currently a chief financial officer at</p> <p>22 AlphaBow?</p> <p>23 A No, there isn't.</p> <p>24 Q And at any time during your work at AlphaBow, has there</p> <p>25 been a chief financial officer?</p> <p>26 A No.</p>



<p style="text-align: right;">403</p> <p>1 Q No.</p> <p>2 A I--</p> <p>3 Q Thank you.</p> <p>4 A Okay.</p> <p>5 Q Yesterday you spoke about signing authority. And can</p> <p>6 you please describe what internal accounting policies</p> <p>7 and procedures are in place at AlphaBow?</p> <p>8 A There's approval matrix.</p> <p>9 Q Can you speak up. I can't quite hear you.</p> <p>10 A There's approval matrix. So it's in the system, like,</p> <p>11 at -- in OpenInvoice, it would list it there. Also</p> <p>12 for, I guess, revenue and royalties, we enter the</p> <p>13 information through a production accounting system</p> <p>14 called PAS. The PAS system, once this information is</p> <p>15 entered, it is used to upload into Petrinex, the</p> <p>16 government system. And with the -- the information</p> <p>17 they enter into PAS, they also create the entries to</p> <p>18 enter into our Qbyte accounting system.</p> <p>19 And then for land and mineral and those, it's --</p> <p>20 it's -- it's run through CS Explorer, so a lot of this</p> <p>21 is very -- I guess, quite automated in a sense.</p> <p>22 Q Yeah. So I -- those I, if I understand -- well, I'll</p> <p>23 ask you. So are -- are those for external controls or</p> <p>24 internal controls?</p> <p>25 A Internal controls.</p> <p>26 Q Okay. And are there documented policies and procedures</p>	<p style="text-align: right;">404</p> <p>1 at AlphaBow for these internal controls?</p> <p>2 A Sorry? Documented?</p> <p>3 Q Documented, written.</p> <p>4 A I -- I don't have a doc -- or I -- I believe there is</p> <p>5 in the folder 'cause I see the documentation, but I</p> <p>6 haven't read through all of them.</p> <p>7 Q Okay. When -- and -- and so at -- at no time have you</p> <p>8 read through those documents?</p> <p>9 A Well, when I went to the company, I got a understanding</p> <p>10 of all the processes, and as I'm doing my role, for</p> <p>11 example, with the matrix, I -- I go into the approval</p> <p>12 matrix module in OpenInvoice, and I can see the</p> <p>13 approval limits in there, so I would verify that those</p> <p>14 are in place.</p> <p>15 Q If you haven't read all of those documents, how can you</p> <p>16 determine whether your direct reports are following the</p> <p>17 policies and procedures?</p> <p>18 A Because, in the end, I review it and approve all the</p> <p>19 invoices.</p> <p>20 Q You and -- and you alone?</p> <p>21 A No. But what happens when I post the batches, I would</p> <p>22 review -- so, for example, when OpenInvoice -- the</p> <p>23 invoice is loaded into OpenInvoice, and then it gets</p> <p>24 loaded into the Qbyte system. I know that I went</p> <p>25 through the proper approvals because I could see in the</p> <p>26 approval matrix in OpenInvoice that there is the</p>
<p style="text-align: right;">405</p> <p>1 different levels, and the system will only allow</p> <p>2 certain -- the -- the correct, I guess, people that</p> <p>3 have the authority to approve it to approve it.</p> <p>4 And then the ones that go through, let's --</p> <p>5 manually, I -- I would review and post them. So I</p> <p>6 would ensure that they were signed by, let's say, Wyman</p> <p>7 or -- or the ones -- or Jay and the coding, and then</p> <p>8 you approve those.</p> <p>9 Q And does AlphaBow issue cheques?</p> <p>10 A Yes.</p> <p>11 Q And is there a certain dollar amount for cheques that</p> <p>12 must be signed by two people?</p> <p>13 A Yes. Anything over 100,000 has to be signed by two</p> <p>14 people.</p> <p>15 Q And any two people, or are there specified two people?</p> <p>16 A Specified two people. Two -- two people, yeah.</p> <p>17 Q Okay. And who are those people?</p> <p>18 A It would be Ben; the director, Yueyi, Duan; or me, but</p> <p>19 there has to be two people of those three.</p> <p>20 Q And where do you keep physical cheques?</p> <p>21 A Sorry?</p> <p>22 Q Where do you keep the physical cheques?</p> <p>23 A The physical cheques? The physical cheques are --</p> <p>24 there's a Check It program that integrates with the</p> <p>25 Qbyte system, so if we wanted to create a cheque, we</p> <p>26 have to -- we have to cue up the item, and that item</p>	<p style="text-align: right;">406</p> <p>1 would have to be entered into the system, and it would</p> <p>2 have to have the approvals and backup and then -- then</p> <p>3 AP would cue it up and print it on this cheque machine.</p> <p>4 Q I guess what I'm asking is where are the blank cheques</p> <p>5 kept prior to the time that they're run through the</p> <p>6 program?</p> <p>7 A Or, I guess, those are the blank cheques. Like,</p> <p>8 they're -- they're -- they're -- they're printed.</p> <p>9 Q Okay. So there's not cheque -- you don't have a safe</p> <p>10 with cheques?</p> <p>11 A A safe with cheques? No.</p> <p>12 Q No. They're just -- they're -- they're -- they're</p> <p>13 created by printing?</p> <p>14 A It -- it's a certain type of -- I guess there's certain</p> <p>15 requirements to be used for those cheque printing --</p> <p>16 Q M-hm.</p> <p>17 A -- to be actual cheques. So, yeah, those are the ones</p> <p>18 that are used.</p> <p>19 Q Okay. And yesterday when you were describing, you</p> <p>20 know, who -- who could sign for various things, you</p> <p>21 made a number of references to "Jay". And I think</p> <p>22 that -- I can't remember his last name. What's ...</p> <p>23 A Kleinsasser. I can't pronounce it very well.</p> <p>24 Q Kleinsasser?</p> <p>25 A Yeah. Thank you.</p> <p>26 Q So what role did Jay play in your work as accounting</p>

<p style="text-align: right;">407</p> <p>1 manager?</p> <p>2 A He would determine -- for all operations payments, he</p> <p>3 would -- I guess, since I started with all the stuff</p> <p>4 that's going on, he would decide on the urgency of some</p> <p>5 of the payments and the priority for them.</p> <p>6 Q And I believe he left; is that right? He's no longer</p> <p>7 with AlphaBow?</p> <p>8 A Yes. He left, I believe, around June.</p> <p>9 Q June of this year?</p> <p>10 A Yeah.</p> <p>11 Q And -- and who took over that responsibility after he</p> <p>12 left?</p> <p>13 A After he left, we haven't had someone -- well, I --</p> <p>14 yeah, we haven't really had someone take over for his</p> <p>15 position, but Rick was brought in.</p> <p>16 Q Sorry. I'm just asking you, but I see you're looking</p> <p>17 at Rick. So is that -- it was Rick or not Rick?</p> <p>18 A Sorry?</p> <p>19 Q Was it Rick, then, who took over?</p> <p>20 A No, Rick didn't take over.</p> <p>21 Q Okay. Who did replace Jay?</p> <p>22 A No one.</p> <p>23 Q No one. Okay.</p> <p>24 Are you aware that AlphaBow had audited financial</p> <p>25 statements until 2018?</p> <p>26 A Sorry? Can you repeat that?</p>	<p style="text-align: right;">408</p> <p>1 Q Yeah. Are you aware that AlphaBow had audited</p> <p>2 financial statements until 2018?</p> <p>3 A You know, I -- no one told me that, but I think when I</p> <p>4 was reviewing the folder, I did see a file that said</p> <p>5 "audited financial statements".</p> <p>6 Q And do you know why AlphaBow stopped having audited</p> <p>7 financial statements?</p> <p>8 A I do not know.</p> <p>9 Q Okay. Thank you.</p> <p>10 You testified yesterday that AlphaBow was behind</p> <p>11 in its financial statements when you began working as</p> <p>12 accounting manager?</p> <p>13 A Yes.</p> <p>14 Q And it sounded yesterday like they were quite</p> <p>15 significantly behind. Two years on CRA was one of the</p> <p>16 examples.</p> <p>17 A For income statement.</p> <p>18 Q M-hm.</p> <p>19 A For income tax filing.</p> <p>20 Q Yeah. So do you know why --</p> <p>21 A Or -- sorry -- financial -- yeah, the income tax</p> <p>22 filing.</p> <p>23 Q Income tax filing was two years behind.</p> <p>24 But, generally, I think your -- your evidence was</p> <p>25 that they were behind in --</p> <p>26 A They were behind on some other stuff too. I think the</p>
<p style="text-align: right;">409</p> <p>1 freehold mineral tax unit filing -- I think -- I</p> <p>2 believe they got extensions. So for the 2021, it was a</p> <p>3 -- they got extension on it 'cause -- during COVID.</p> <p>4 Q M-hm.</p> <p>5 A I think --</p> <p>6 Q You began in October -- October 31st, 2022; right?</p> <p>7 A Yes.</p> <p>8 Q So -- so do you know why they were so far behind? What</p> <p>9 was -- what was happening at AlphaBow that they were so</p> <p>10 far --</p> <p>11 A I think for the freehold mineral tax unit file, when I</p> <p>12 spoke to someone, it was during COVID. I think there</p> <p>13 was a lot of -- there was some turnovers from what I</p> <p>14 heard. And I -- and so there was an extension on it,</p> <p>15 and -- and it had to be filed this year. But --</p> <p>16 Q It was --</p> <p>17 A -- it was the deadline for the extension.</p> <p>18 Q Right. But it was also generally their financial</p> <p>19 statements and financial reporting was out of date as</p> <p>20 well or not up to date; correct?</p> <p>21 A You mean for this Directive 67, or which financial</p> <p>22 statement?</p> <p>23 Q No. I mean financial statements, balance sheet, income</p> <p>24 statement. Because I -- I'll have to find the exhibit,</p> <p>25 but there was a meeting that you went through that you</p> <p>26 met with -- where you indicated that you need some time</p>	<p style="text-align: right;">410</p> <p>1 because you'd just --</p> <p>2 (INDISCERNIBLE - OVERLAPPING SPEAKERS)</p> <p>3 THE COURT REPORTER: Sorry. Ladies, I have to</p> <p>4 stop. Can you please wait for her to get her full</p> <p>5 question out.</p> <p>6 A MS. ZHANG: Sorry about that.</p> <p>7 THE COURT REPORTER: No. That's fine.</p> <p>8 Q MS. LAVELLE: So you recall that meeting.</p> <p>9 So I think you said at that meeting that they were</p> <p>10 behind in their financial statements and other</p> <p>11 regulatory filings. So I -- so I'm asking you why when</p> <p>12 you -- why they were behind on those, specifically in</p> <p>13 relation to financial statements, balance sheet, income</p> <p>14 statement, that kind of thing?</p> <p>15 A MS. ZHANG: You know, I am not sure why</p> <p>16 they were behind, and it was why I was brought in. But</p> <p>17 Ben asked me to put everything back in order. So I</p> <p>18 took all items, and I prioritized, and I started</p> <p>19 picking at them one by one and got them done.</p> <p>20 Q And so as you did that, how long did it take you before</p> <p>21 you were up to date with the financial reporting?</p> <p>22 A So when we met on March 7, like I mentioned -- or, like</p> <p>23 in the email, I said I'd get to them to the -- at the</p> <p>24 end of the month, and that's what I did.</p> <p>25 Q The end of the month. So -- okay.</p> <p>26 A Yeah. In the email, yeah, I told them that I'd -- or</p>

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1 the meeting with them was on March 7, and then I had  
 2 mentioned to them that I -- there's a few things I need  
 3 to do. I'll have it for the end of the month, and then  
 4 that's -- and then we had another email that showed  
 5 that I submitted it then and that we were presenting  
 6 last time.  
 7 Q You were -- you caught up with all of the financial  
 8 reporting by the end of the month?  
 9 A For the Directive 67, Schedule 3, yes.  
 10 Q Okay. What about the cash flow forecasting?  
 11 A It's part of the Directive 67, Schedule 3.  
 12 Q Okay. And what about production of balance sheet,  
 13 income statement?  
 14 A That was also part of the Directive 67, Schedule 3.  
 15 Q So it was all up to date in a month?  
 16 A Yeah. The last one was submitted on the 15th for the  
 17 Q3 -- what are -- where are we now -- Q3.  
 18 Q Okay. Thank you.  
 19 MS. LAVELLE: So that's all I have for the  
 20 not-confidential portion, so -- but I would pause  
 21 because I -- I'll come back to her if I can in the  
 22 confidential portion.  
 23 THE CHAIR: Yes. Thank you.  
 24 If you'll take a seat, I'll just check with my  
 25 colleagues in terms of whether we have questions.  
 26 Just so that everyone knows, each of the Panel

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1 to the 2021 Closure Program".  
 2 I wonder if somebody could provide some context  
 3 around that letter for us, please.  
 4 A MR. IRONSIDE: I will be happy to do that.  
 5 So that relates to the \$3.8 million that was spent on  
 6 the ABC commitment January to March 2023. That relates  
 7 to the abandonment of 57 wells and, to the best of my  
 8 knowledge, the AER wanted copies -- they wanted to  
 9 essentially audit all of that work, so copies of the  
 10 work reports and invoices were provided to the AER and  
 11 an accounting was provided. And that's what was  
 12 reviewed, and, to the best of my knowledge, that letter  
 13 provides a -- sort of a clean bill of health that --  
 14 that that was all reviewed and -- and was acceptable to  
 15 the AER.  
 16 Q Thank you for that.  
 17 Then I think this question's probably for you,  
 18 Mr. Ironside. Regarding the CO2 and something program  
 19 at Chigwell, you mentioned, I think, that in 2021  
 20 AlphaBow had made an application to change the approval  
 21 conditions of the project, but you also then said that  
 22 the -- the application did not meet the D56  
 23 requirements, and so it was, I guess, viewed to be  
 24 incomplete. Why did AlphaBow not resubmit their  
 25 application accounting for the measurement monitoring  
 26 and verification requirements that were then put in

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1 Members has -- has questions, so we'll start with  
 2 Commissioner Mackenzie. And I don't think that it will  
 3 take us too long.  
 4 The Panel Questions the Witnesses  
 5 Q COMMISSIONER MACKENZIE: Yeah. I just have a few  
 6 questions. Yesterday it was mentioned that there were  
 7 several -- I think it was mentioned there was 22 to 30  
 8 landowners that were blocking access to sites. And so  
 9 I just wondered: How were you ensuring the safety of  
 10 those sites if the landowners wouldn't allow you to  
 11 have access?  
 12 A MR. LI: If -- because most of the --  
 13 if the -- the -- we could -- operators could come get  
 14 access to the -- to the site to -- to check once in a  
 15 while. But if we want to do some abandonment work on  
 16 some site, we need to send them notice to the  
 17 landowner. That's what happened most times. Some  
 18 landowners say, AlphaBow haven't paid us yet. We don't  
 19 want you or your contract to come to site to abandon  
 20 the well until you paid us.  
 21 Q Thank you.  
 22 And then yesterday morning first thing, you  
 23 filed -- I believe it was Undertaking Number 1, which  
 24 became Exhibit 69.1. That was a letter entitled  
 25 "Reported Spend Audit Closure Plan as a Part of an  
 26 Alternative Payment Plan for Security Owing in Relation

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1 place?  
 2 A AlphaBow Energy -- I -- that's part of what I had been  
 3 working on prior to April, and the intention was to  
 4 resubmit that application, and as I -- and -- and as  
 5 I'd indicated in my evidence, that application was  
 6 probably submitted in the -- originally submitted in  
 7 the summer of 2022.  
 8 Q Okay.  
 9 A And in the fall of 2022 was when the revised D56  
 10 requirements were published, and I -- I need to clarify  
 11 that when that application was originally submitted, it  
 12 did address all the then-in-place requirements of D56;  
 13 however, it was returned by the AER in advance of the  
 14 release of the revised D56, stating it was incomplete.  
 15 When they first returned it, we didn't know why it was  
 16 incomplete, but we soon found out when the new  
 17 requirements were clear.  
 18 Q Thank you.  
 19 So -- sorry -- that was my error. It was the  
 20 summer of 2022 that the initial application was filed.  
 21 I apologize because I said "2021". Thank you. That's  
 22 all from me.  
 23 A Yes. Thank you.  
 24 THE CHAIR: Commissioner Barker, go ahead.  
 25 Q COMMISSIONER BARKER: Thank you.  
 26 Yes. I do have a couple questions. And I don't

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1 know who best to ask this of, but perhaps Mr. Ironside.  
 2 In AlphaBow's submission Exhibit 47.01, Tab 5, and  
 3 it's at page 56. This is AlphaBow's response to each  
 4 of the whereas clauses in the RCAM order. And the very  
 5 last one, which is Item Number 26.  
 6 There we go. Yes. Thank you.  
 7 There's a comment in AlphaBow comments that says  
 8 that: (as read)  
 9 This recital relates to the expiration of  
 10 mineral lease expired wells which AlphaBow  
 11 offered to maintain and continue operations  
 12 on. Here, the director is requiring  
 13 abandonment despite it being open for  
 14 licensees to reobtain minerals as an  
 15 alternative.  
 16 What does this offer mean that's referenced there?  
 17 What's the offer? The offer to maintain and continue  
 18 operations on the wells?  
 19 A MR. IRONSIDE: Well, so I'm going to --  
 20 sorry. I'm going to respond by reading Item 26 first.  
 21 So it says: (as read)  
 22 Whereas the director is of the opinion that  
 23 the mineral lease expired wells require  
 24 abandonment according to the regulation and  
 25 rules and finds it necessary to further  
 26 direct abandonment of these wells.

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1 but I don't know exactly where it is. Somewhere, I  
 2 believe the AER implied that if we reacquired the  
 3 mineral rights, that may not be acceptable as a  
 4 resolution to -- that they -- they would still -- even  
 5 if we re-acquired the mineral rights, they would still  
 6 require that we abandon the wells, because that's what  
 7 the March order said we were supposed to do. So I  
 8 think that's the -- what we're saying is that we -- no,  
 9 we believe we have the right to make these sites  
 10 compliant by reacquiring the mineral rights.  
 11 Q Okay. Thank you.  
 12 And then my last question is, What was -- what was  
 13 AlphaBow's plan -- what were -- what was AlphaBow's  
 14 plan if they were not successful in reacquiring the  
 15 minerals at the land sales?  
 16 A So that's part of why we asked for a year. That's part  
 17 of why we asked for the period until March 31st of  
 18 2024, because the whole process of posting mineral  
 19 rights takes a few months. The process then of a  
 20 mineral sale being published and then -- and having, I  
 21 think -- I don't know the exact period of time but  
 22 maybe 60 days before a sale -- a sale is published, and  
 23 then you have the sale and you are successful in  
 24 acquiring the minerals or not.  
 25 So with a year extension, that would have given us  
 26 the time to have had several land sales and to have

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1 I think that we're interpreting this that the director  
 2 will not allow a purchase of the minerals. And -- no,  
 3 I'm -- I'm sorry. That -- that's wrong.  
 4 Yes -- no. No, that's -- that's part -- so just to  
 5 clarify, it is -- it is a right of -- I'm not -- I'm  
 6 going to say not just AlphaBow, but it's a right of an  
 7 individual or person in Alberta to be able to post and  
 8 buy mineral rights. So I could personally buy the  
 9 mineral rights. It's -- it's not something I feel that  
 10 the director has the right to say I can't do.  
 11 And so what I think we're trying to say here is  
 12 that AlphaBow has the right to buy the mineral rights,  
 13 and we will continue to maintain and look after the  
 14 wells and -- and resolve the mineral right expiry issue  
 15 by acquiring the mineral rights. That would be a  
 16 resolution to the problem.  
 17 Q Okay. So I guess what -- the reason I'm wondering  
 18 about this is by my read of that statement, it makes me  
 19 wonder if there was some sort of expectation that  
 20 AlphaBow had that they would be wanting to or get  
 21 permission to continue to operate the wells or -- or  
 22 produce the wells without having re-acquired the  
 23 minerals. Would -- would -- that -- was that the case?  
 24 A No. I believe kind of what -- what we're getting at  
 25 there is somewhere in the communications with the  
 26 AER -- and I -- and I believe it's with Mr. Callicott,

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1 acquired mineral rights for a considerable number, and  
 2 this would be part of the planning process. I mean, if  
 3 you're -- if you're trying to resolve 250 wells, you  
 4 may try to, for example, acquire the minerals for 125  
 5 of them and then abandon 125, and you would want some  
 6 flexibility in your plan. And so that would be one of  
 7 the reasons it would be difficult to make a  
 8 month-by-month plan because of just exactly what you  
 9 said: What would happen if you didn't get the mineral  
 10 rights on one well? Well, maybe we wouldn't get the  
 11 mineral rights on 10 wells, and then we'd post 10 more,  
 12 so we would have a reasonable balance of, We're going  
 13 to abandon about 125, meet our mandatory spend, and  
 14 resolve the balance of them by acquiring mineral  
 15 rights.  
 16 Q Okay. Thank you.  
 17 COMMISSIONER BARKER: Thank you, ma'am.  
 18 THE CHAIR: Thank you, Commissioner  
 19 Barker.  
 20 Q THE CHAIR: To preface my question, if I  
 21 could get you to bring up Document 8.01, page 44, I  
 22 believe, so that we've got it for reference. Yes.  
 23 Thank you.  
 24 So my question is for Mr. Ironside.  
 25 Mr. Ironside, I'm hoping you recall yesterday we  
 26 were -- had this above us, and you were offering some

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1 critique of -- of this chart and the AER's  
 2 calculations. You recall that?  
 3 A MR. IRONSIDE: (NO VERBAL RESPONSE)  
 4 Q And so in the transcript, it indicates that you had  
 5 said that a mistake that the AER had made was that they  
 6 used outdated 2020 -- an outdated 2020 reserve report;  
 7 correct?  
 8 A Yes. And -- and I went on to further elaborate that  
 9 there were three elements to that mistake.  
 10 Q Okay. And I'm not interested in the other two  
 11 elements. I'm interested in -- in this one. That's  
 12 what my question is for. So you said that they used  
 13 outdated information.  
 14 And then twice this morning in your testimony you  
 15 indicated that AlphaBow has not done a reserve report  
 16 since 2020?  
 17 A That is correct.  
 18 Q So what else do you suggest that the AER would have or  
 19 should have used in crossover calculations for  
 20 AlphaBow?  
 21 A Well, do we know the date that this was done?  
 22 A MR. LI: The report is pretty much done  
 23 on 2020.  
 24 A MR. IRONSIDE: No. I mean, do we know the  
 25 date that this particular analysis is done?  
 26 THE COURT REPORTER: I can't hear you.

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1 A They could have asked us for information. I mean, as  
 2 I -- as I stated, we had not seen this. So if it's a  
 3 risk assessment of AlphaBow and it's based on  
 4 information, when -- when AlphaBow was asked for the  
 5 reserve report, it wasn't like they said, We want the  
 6 reserve report to do a crossover calculation. They  
 7 said, Can we have the reserve report, please?  
 8 THE CHAIR: Okay. Thank you. That's --  
 9 A And --  
 10 THE CHAIR: Thank you. That is all the  
 11 Panel's questions.  
 12 (WITNESSES STAND DOWN)  
 13 THE CHAIR: So we are at the stage now  
 14 where we will shift into the in-camera portion, so we  
 15 will take a short break to clear the room.  
 16 Ms. Doebele, you have the undertakings in  
 17 terms of who should be here, so we'll be checking  
 18 against that.  
 19 Frankly, if you are not actively assisting either  
 20 of the parties in this proceeding, then we ask you to  
 21 leave the room. Take all your materials with you.  
 22 This material -- or this session will also be going  
 23 offline in relation to the audio stream, and as we  
 24 indicated, we anticipate ideally that we will complete  
 25 the in-camera portion by the end of today and that the  
 26 remainder of the proceeding will be publicly accessible

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1 THE CHAIR: Sorry. Page 42, you're  
 2 saying, Ms. Lavelle? Thank you.  
 3 So page forty -- okay. So Ms. Lavelle's pointed  
 4 us to page 42, which was in March 16, 2023.  
 5 A MR. IRONSIDE: So I believe that we have  
 6 already indicated that we became aware that the carbon  
 7 tax was going to \$170 by -- we became aware of that in  
 8 March 8 at the University of Calgary at the carbon  
 9 capture and underground -- underground storage seminar.  
 10 So a couple things. I know that there were  
 11 participants from the Alberta Energy Regulator that  
 12 attended that. So I know that it was public knowledge  
 13 that this carbon tax was going to \$170, and I know that  
 14 throughout our undertakings that we have pointed to  
 15 this as a significant source of revenue. So for  
 16 someone to use the knowledge in that regard that was  
 17 available back in 2020 was really outdated. And back  
 18 in 2020, the carbon tax was, I believe, \$30.  
 19 So, I mean, the person that was doing this  
 20 analysis should have availed themselves to all of the  
 21 available information, and -- and certainly in that  
 22 report there would have been some discussion of --  
 23 of -- of the carbon tax, but at the \$30 level.  
 24 Q THE CHAIR: So is it your position that  
 25 the AER should have asked AlphaBow for an updated  
 26 reserve report?

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1 starting tomorrow morning.  
 2 Mr. Stapon.  
 3 MR. STAPON: Thank you, commissioners. May  
 4 I seek leave on one point, and that it is my personal  
 5 practice not to have any contact whatsoever with  
 6 witnesses during cross. May I consult with the  
 7 involved members regarding the undertakings during the  
 8 course of this break, or should I wait until the  
 9 conclusion?  
 10 THE CHAIR: Given the information we have  
 11 from the parties indicating that they didn't anticipate  
 12 that we may take this full time, I think I would prefer  
 13 that you wait.  
 14 MR. STAPON: That's fine. Thank you.  
 15 THE CHAIR: Thank you.  
 16 Are there any questions otherwise in relation to  
 17 moving into the in-camera portion? No? Thank you.  
 18 Let's move accordingly, please.  
 19 (ADJOURNMENT)  
 20  
 21  
 22  
 23  
 24  
 25  
 26

1 CERTIFICATE OF TRANSCRIPT:

2

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

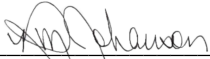
8 Dated at the City of Calgary, Province of Alberta,  
9 this 28th day of November 2023.

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14 R.M. Johanson, CSR(A)

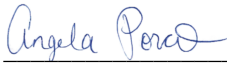
15 Official Court Reporter

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20 A. Porco, CSR(A)

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