

## 2024 ABAER 003

### Proceeding 427

### Greenfire Resources Operating Corporation

### Reconsideration 1943570

### Application 1942541

### Application 1942717

#### Decision

[1] The Alberta Energy Regulator (AER) hearing panel assigned to this proceeding has cancelled the hearing into reconsideration 1943570 and decided to refer applications 1942541 and 1942717 to staff for further processing.

#### Discussion

[2] On November 28, 2022, the AER received a request for reconsideration, under Division 4 of the *Responsible Energy Development Act (REDA)* and Part 4 of the *Alberta Energy Regulator Rules of Practice*, of the AER's July 19, 2022, decision to issue disposal scheme approval 13122A (A-approval), based on new information raised by Canadian Natural Resources Limited (Canadian Natural). Canadian Natural submitted that this information was unavailable to the AER at the time the decision was made and that, if considered during a reconsideration, may lead the AER to a different decision. The A-approval allowed Greenfire Resources Operating Corporation (Greenfire) to dispose of class Ib fluids into the Clearwater Formation through the 00/02-15-084-11W4/0 well.

[3] On February 22, 2023, the AER determined in its sole discretion to exercise its authority under section 42 of *REDA* and reconsider the A-approval and the reconsideration would be conducted with a hearing.

[4] A [notice of hearing](#) was issued on April 17, 2023, for the reconsideration of the A-approval (proceeding 427).

[5] The AER scheduled a public hearing before hearing commissioners Alex Bolton (presiding), Brian Zaitlin, and Shona Mackenzie (the panel).

[6] It was later determined that on July 21, 2022, the A-approval had been rescinded and replaced with approval 13122B (B-approval). On July 11, 2023, the AER decided to reconsider the B-approval as it was the active approval authorizing Greenfire to carry out the disposal operations in the Clearwater Formation (first approved in the A-approval).

[7] On March 29, 2023, Greenfire submitted application 1942541. In this application, Greenfire applied under the *Oil and Gas Conservation Act* to rescind a monitoring condition clause in the B-approval. The AER determined that since application 1942541 seeks to amend the disposal scheme approval that is under reconsideration, the subject matter is related. Application 1942541 was referred to the hearing commissioners as an addition to reconsideration 1943570 due to this connection.

[8] On July 13, 2023, the panel added application 1942541 and the reconsideration of B-approval to proceeding 427. A subsequent [notice of hearing](#) for proceeding 427 was issued on July 18, 2023.

[9] On July 21, 2023, the panel issued an interim suspension of the monitoring condition (the subject of application 1942541) pending a decision on proceeding 427.

[10] On April 17, 2023, Greenfire submitted application 1942717. In this application, Greenfire applied under *Draft Directive 023: Oil Sands Project Applications* to install an open-loop ground source heat exchange cooling system in the Clearwater Formation.

[11] On April 27, 2023, Canadian Natural submitted a statement of concern regarding application 1942717.

[12] On August 15, 2023, the AER determined that application 1942717 should be set down for a hearing.

[13] On August 16, 2023, the same hearing panel as for proceeding 427 was assigned to conduct the hearing for application 1942717. The panel issued a letter to Greenfire and Canadian Natural indicating that notice of hearing would be issued in due course. In addition, once the request to participate period had closed and the panel had decided on any requests received, it would seek input from Greenfire, Canadian Natural, and any other participant on whether to combine the hearing for application 1942717 with the hearing for proceeding 427.

[14] [Notice of hearing](#) for application 1942717 was issued on August 28, 2023.

[15] Canadian Natural was the only party who submitted a request to participate and was granted participation rights by the panel on September 15, 2023.

[16] On September 22, 2023, the panel decided to add application 1942717 to proceeding 427 after receiving comments from Greenfire and Canadian Natural. Greenfire and Canadian Natural requested a combined hearing for application 1942717 and proceeding 427.

[17] On October 30, 2023, Greenfire notified the AER of a casing failure on its class Ib disposal well 04/03-34-084-11W4/0. On November 29, 2023, the AER rescinded the B-approval and replaced it with approval 13122C (C-approval). The C-approval included a clause requiring Greenfire to suspend disposal

operations at the well and for Greenfire to apply to recommence operations once it had repaired the well and the well could be operated safely.

[18] On February 23, 2024, Canadian Natural submitted a request to the panel to discontinue reconsideration 1943570 as it had sold its gas production assets in the area to Greenfire and no longer wanted to proceed with the reconsideration. In addition, Canadian Natural requested to withdraw its statement of concern regarding application 1942717.

[19] On February 26, 2024, Greenfire submitted a letter requesting the cancellation of the procedural schedule and hearing for proceeding 427 and that the AER establish a written process for it to decide application 1942541.

[20] On February 27, 2024, the panel informed both parties that pursuant to section 42 of *REDA*, the AER, in its sole discretion, decided to reconsider Greenfire's A-approval and B-approval. The panel was of the view that Canadian Natural's request to withdraw from the reconsideration as a participant did not conclude the reconsideration. The panel noted that when the AER decides to conduct a reconsideration, a participant's request for withdrawal is not akin to a participant withdrawing its statement of concern from a hearing into an application or a requester withdrawing its regulatory appeal, where the panel may decide to cancel the hearing or regulatory appeal because of the withdrawal. Section 42 of *REDA* provides the AER with broad and singular discretion to reconsider any decision it makes where it is satisfied there are exceptional and compelling grounds to do so. In this case, the AER decided, on its initiative, to conduct a reconsideration and the panel retains the authority to conduct the reconsideration of the B-approval and conduct a hearing into applications 1942541 and 1942717.

[21] The panel requested additional information from Greenfire and Canadian Natural before making decisions on the requests from both parties.

[22] On March 8, 2024, the panel accepted Canadian Natural's withdrawal of participation from reconsideration 1943570 and its withdrawal of its statement of concern regarding application 1942717.

[23] After sending out its most recent correspondence, the panel became aware that the B-approval had been rescinded and replaced by the C-approval. As the C-approval is not before the panel in this proceeding, the panel has decided to cancel the hearing for proceeding 427. Reconsideration 1943570 will no longer be conducted. The panel also decided to refer applications 1942541 and 1942717 to the AER's Regulatory Applications branch for further processing. All the materials filed on the public record of proceeding 427 are available to the AER's Regulatory Applications branch for consideration during the processing of the applications.

Dated in Calgary, Alberta, on April 23, 2024.

**Alberta Energy Regulator**

Alex Bolton, P.Geo.

Presiding Hearing Commissioner

Shona Mackenzie, C.Dir., P.Eng.

Hearing Commissioner

Brian A. Zaitlin, Ph.D., P.Geol., C.P.G.

Hearing Commissioner