

Canadian Natural Resources Limited

Appeal of Cancellation of Reclamation Certificate 30002609

May 7, 2025

Alberta Energy Regulator

Decision 2025 ABAER 005: Canadian Natural Resources Limited; Appeal of Cancellation of Reclamation Certificate 30002609

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2025 ABAER 005

Canadian Natural Resources Limited Reclamation Certificate 30002609

Decision

[1] Having considered all of the evidence carefully, the Alberta Energy Regulator (AER) revokes the October 17, 2022 (corrected by letter on November 25, 2022) decision of the AER Enterprise Reclamation Group (ERG) to cancel reclamation certificate 30002609. The reclamation certificate was issued to Canadian Natural Resources Limited (Canadian Natural) on January 28, 2021, and is hereby reinstated.

Introduction

Hearing

[2] The AER held a public, in-person hearing for this proceeding at Govier Hall in Calgary, Alberta, before hearing commissioners P. Meysami (presiding), E. McNaughtan, and B. A. Zaitlin. The panel heard evidence on February 19 and 20, 2025, and closing arguments on February 20, 2025. A list of the hearing participants is included in appendix 1. A copy of the original reclamation certificate and reclamation certificate cancellation order are provided in appendix 2.

Background

[3] The cancelled reclamation certificate 30002609 relates to a single well drilled on the site in 1997. The well produced crude oil until 1999 when production was suspended. Ownership of the well changed several times until Canadian Natural acquired the well. The well was abandoned in 2006.

[4] The well site is at Legal Subdivision 8, Section 35, Township 56, Range 8, West of the 4th Meridian (08-35-056-08-W4M), and is considered “specified land” (defined in the [Conservation and Reclamation Regulation](#)). The reclamation of the well site began in 2011, including activities such as contouring the site to match the natural slope of the field, removing rocks, placing subsoil and topsoil, controlling erosion, and seeding. In 2016 and 2017, following erosion from heavy rainfall that created a shallow channel in the soil (rill erosion) and concerns raised by the landowner, Canadian Natural recontoured the area of the erosion, seeded the affected area, and established an electric fence to allow the vegetation to establish and stabilize the slope.

[5] Mr. Milton Lorenson and Mr. Lane Lorenson, the original landowners, signed a release for the access road in May 2015. The release accepts the access road in the current unreclaimed condition as a surface improvement left in place for use by the landowner.

[6] Mr. Lane Lorenson is the current landowner and farms the former lease site and surrounding land annually to raise greenfeed for cattle. Greenfeed is harvested prior to full maturity of the crop and may be a mixture of grains. He also uses the land for grazing.

[7] Canadian Natural applied for a reclamation certificate in 2020. The application included the results of the two detailed site assessments (DSAs) which showed that the site had met the landscape vegetation and soil criteria as per [*2010 Reclamation Criteria for Wellsites and Associated Facilities for Cultivated Lands*](#) (the *2010 Reclamation Criteria*). The application also identified landowner concerns. The *2010 Reclamation Criteria* defines a DSA as “[t]he report that must be attached to the Wellsite Reclamation Certificate Application form that provides all the data collected on the site. The report will also contain the justification used to explain why a site should get a certificate if some of the criteria have not been met.”

[8] The application also noted that Mr. Lorenson’s land use included cattle grazing. Photos from 2019 and 2020 showed visible cattle trails, vehicle rutting on the former well site, and rill erosion in the control area south of the well site. Based on the combined DSA data and Canadian Natural’s response to the AER’s supplemental information request, the reclamation certificate application was approved on January 28, 2021.

[9] Following the issuance of the reclamation certificate, Mr. Lane Lorenson contacted Canadian Natural in February and May of 2021 to discuss his continued concerns with the condition of the lease and possible seeding and amendment plans. A complaint to ERG by Mr. Lorenson resulted in a site visit by Mr. Dunkle (the ERG inspector) in August 2021, which Canadian Natural did not attend as the lease was surrendered, and the landowner did not grant access to Canadian Natural. The site had been recently seeded, so vegetation conditions could not be evaluated, and a further site visit was proposed by ERG for 2022.

[10] In January 2022, Mr. Lorenson filed a regulatory appeal of the January 28, 2021, decision to issue the reclamation certificate. The appeal was placed in abeyance until a site visit responding to his complaints could be arranged in 2022. The ERG inspector, Canadian Natural, and Mr. Lorenson met on the day of the complaint inspection on September 8, 2022. Mr. Lorenson again did not grant access to Canadian Natural. The ERG inspector and Mr. Lorenson walked the site together. Mr. Lorenson then left the site and ERG completed the field inspection.

[11] Following the complaint inspection, the ERG inspector prepared a reclamation certificate program criteria report of site conditions (the complaint inspection report). Based on the results of the

report, the ERG inspector notified Canadian Natural by email on September 28, 2022, that he intended to cancel the reclamation certificate, stating the following: “Here is the result of the complaint inspection of the Lorenson site. The report shows the site fails, and I’ll need to cancel the reclamation certificate.”

[12] Canadian Natural was initially asked to respond to ERG within 2 days. After 19 days had elapsed, the AER cancelled the reclamation certificate. Mr. Lorenson then withdrew his regulatory appeal in October 2022. Canadian Natural subsequently filed a request for a regulatory appeal of the cancellation decision in November 2022, which is the subject of this proceeding.

[13] Canadian Natural’s position is that the decision to cancel the reclamation certificate was made in error and should be revoked, and that the reclamation certificate should be reinstated, as the reclamation of the land met applicable regulatory standards. Mr. Lorenson, the landowner, and ERG want the cancellation of the reclamation certificate to be confirmed. Mr. Lorenson also requested that Canadian Natural be directed to restore the land to its pre-disturbance state capable of supporting his intended agricultural use.

Regulatory Framework

[14] Under section 41(2) of the *Responsible Energy Development Act (REDA)*, in a regulatory appeal decision, our task is to confirm, vary, suspend, or revoke the appealable decision. The appealable decision in this matter is the AER’s decision of October 17, 2022, to cancel reclamation certificate 30002609 (the original decision) pursuant to section 139(1)(c) of the *Environmental Protection and Enhancement Act (EPEA)*. The panel must consider the regulatory framework governing reclamation of oil and gas facilities in Alberta.

[15] Section 2 of *REDA* sets out the AER’s mandate, which includes providing for the efficient, safe, orderly, and environmentally responsible development of energy resources in Alberta through its regulatory activities.

[16] Part 6 of *EPEA* sets out the regulatory framework for conservation and reclamation, including the duty to reclaim in section 137, the issuance of reclamation certificates in section 138, and the amendment and cancellation of certificates in section 139. Section 139(1)(c) states as follows:

139(1) The Director or an inspector may

(c) cancel a reclamation certificate where no reclamation inquiry was conducted prior to the issuance of the certificate and the Director or the inspector is of the opinion that further work may be necessary to conserve and reclaim the specified land to which the certificate relates

[17] Under section 2 of *EPEA's Conservation and Reclamation Regulation (CRR)*, the objective of conservation and reclamation is to ensure the reclaimed land has an equivalent land capability.

“Equivalent land capability” is defined in section 1(e) of the CRR as follows:

...the ability of the land to support various land uses after conservation and reclamation is similar to the ability that existed prior to an activity being conducted on the land, but that the individual land uses will not necessarily be identical.

[18] The CRR also requires operators to reclaim specified land in accordance with applicable standards, criteria, and guidelines. Specified land is land that is being or has been used or held for, or in connection with, certain activities that include the construction, operation, or reclamation of a well.

[19] The applicable criteria are found in the *2010 Reclamation Criteria* and are applied “to evaluate whether a site has met equivalent land capability.” The reclamation criteria specify that an operator must include in its application an evaluation of whether the lease site meets the reclamation criteria by comparing the reclaimed area to adjacent lands in terms of vegetation, soil, and landscape.

[20] [*Conservation and Reclamation Information Letter 97-4*](#) sets out the process for documenting conditions on a site that arise from third-party use of the site and any mitigations that an operator applies.

Hearing Issues

[21] The issuance of the reclamation certificate is not the subject of this hearing. Only the cancellation of the reclamation certificate is before this panel. Our task is to confirm, vary, suspend, or revoke the AER's decision to cancel the reclamation certificate. We will need to consider the following question first: Did Canadian Natural's reclamation of lands at 08-35-056-05-W4M meet the appropriate regulatory standard at the time of the cancellation?

[22] As the parties provided submissions for the hearing, the issue was further focused to include the following issues:

- Did the site meet equivalent land capability despite the findings of the complaint inspection?
- Are the complaint inspection report and the record of the decision maker reliable?

[23] In the following sections we will consider the above issues. During the hearing and in their submissions, Canadian Natural also raised arguments about other issues:

- application of the legal test by ERG in deciding to cancel the reclamation certificate
- deficiencies in the complaint inspection process
- one-sided site inspection because of Canadian Natural's absence during the site inspection

[24] Given our findings about the first three issues (did the site meet criteria at time of cancellation, did the site meet equivalent land capability despite the findings of complaint inspection, and reliability of

the complaint inspection report and record of the decision maker), we are of the opinion that we do not need to assess these other three issues.

Did the Reclaimed Lands at 08-35-056-05-W4M Meet the Regulatory Standard at the Time of the Cancellation?

[25] An ERG inspector completed a site inspection in September 2022 following a complaint about poor vegetation on site from the landowner. The inspection consisted of gathering soil and vegetation data at six on-site and six off-site control locations. The ERG inspector identified the *2010 Reclamation Criteria* as the basis of his comparison of data gathered from the site and adjacent control sites.

[26] In the complaint inspection report, soil compaction and root matting were recorded at three on-site locations but not recorded at any of the off-site control locations. Soil compaction and vegetation root matting were cited as reasons for cancelling the reclamation certificate. Vegetation was noted to fail at one on-site location when compared to the average of vegetation at control sites, although some poor vegetation growth was also recorded off site.

[27] The *2010 Reclamation Criteria* sets out the acceptable limits for variations between on-site and off-site parameters. ERG noted that failure of one or more on-site inspection points to be within the acceptable variation from the off-site control values is sufficient to cancel the reclamation certificate. This was the case for soil compaction at three on-site locations.

[28] Canadian Natural agreed that there was soil compaction on-site. Therefore, the existence of soil compaction on the former well site during the 2022 complaint inspection, which was the basis of the cancellation decision, is not in dispute.

Did the Site Meet Equivalent Land Capability Despite the Findings of the Complaint Inspection?

Submissions of the Parties

[29] Canadian Natural produced new evidence through the proceeding to support their position that equivalent land capability has been achieved.

[30] Canadian Natural submitted that, despite soil compaction found on the former lease site, the lease site was reclaimed to equivalent land capability, and ERG and the landowner have not shown that Canadian Natural's reclamation activities were unsuccessful in achieving equivalent land capability. Canadian Natural provided evidence and argument to justify why the former well site met equivalent land capability despite the presence of compaction.

[31] Canadian Natural's evidence was:

- vegetation would be equivalent to the overall field because of significant variation in land capability across the field, even though one sampling site failed in comparison with the average of adjacent off-site vegetation
- the predisturbance conditions had been achieved and, due to sandy soil on a slope prone to erosion, further work may damage the reclaimed well site
- the effect of land use choices of the landowner, namely cattle grazing and farm vehicle traffic, are third-party impacts beyond Canadian Natural's control

[32] Canadian Natural relied on the vegetation variability to justify that the vegetation parameters satisfied regulatory requirements at the reclaimed site. Canadian Natural provided an analysis of ERG's vegetation data to highlight some of the range of variability in vegetation that existed at off-site control locations. They also referred to their interpretation of post-reclamation air photos taken in 2022 (the year of the complaint inspection). They said that the air photo interpretation shows that the reclaimed site is not "standing out like a postage stamp" in the field, implying the vegetation on and off-site appears seamless, and no clear edges can be seen around the well site. Therefore, it doesn't look like the reclaimed site is posing any limitations to operability.

[33] Canadian Natural pointed to an apparent discrepancy in some of the ERG data where the soil compaction noted did not correspond to the poor vegetation growth at one site. They stated that compaction generally leads to restrictions in crop growth and yield, and that the ERG inspection did not show this correlation.

[34] ERG submitted that they made no claim of correlation between the soil and vegetation parameters; they simply recorded the data measured at each site. As per the *2010 Reclamation Criteria*, each parameter must pass, and even if vegetation passed, soil parameters must also pass. ERG also said they do not determine the cause of a condition that fails an assessment.

[35] Canadian Natural pointed to wording in the *CRR* that requires a return of the land to supporting predisturbance land uses. Canadian Natural submitted that pre-existing conditions should be accounted for in assessing the reclamation as they may limit reclamation success. As well, Canadian Natural does not believe they have an obligation to reclaim a site to a productivity level better than predisturbance condition or that of adjacent land, particularly for a land use that is not advised for the specific limitations of the land. They submitted that the landowner's use of the land for annual crops is not compatible with the steep slopes and sandy soils of the field.

[36] To support their position, Canadian Natural submitted an air photo from 1997 before the well site was built. They interpreted variations in colour on the air photos to show variability in soil conditions across the field in which the lease is located, which, in their opinion, was related to the slope and use of

the field. They said the air photo from 1997 showed that erosion and cattle trails were prevalent in the field and on the proposed well site location before construction and represented the variability of predisturbance conditions.

[37] Canadian Natural interpreted the air photo from 2022 to show that erosion was still present in other areas of the field. They interpreted this to mean that the well site was supporting land uses similar to predisturbance conditions and that the condition of the former lease site was better than other areas of the field on the same slope where they said erosion was still evident in the 2022 photo. They considered that the variability of the soil conditions in the field would result in variable vegetation productivity across the field.

[38] Canadian Natural said that the former site had met reclamation criteria for soil when they completed their reclamation in 2017, and that their DSA data showed that the site met vegetation criteria in 2019, so any change to the site conditions was not the result of their reclamation. Rather than a failure of their reclamation, Canadian Natural pointed to different possible causes of soil compaction on the former site: impacts from the travel of the landowner's cattle across the site and farm equipment traffic. They referred to these as third-party impacts. Canadian Natural relied on air photo interpretation and surface photos from 2019 and 2020 to identify cattle trails across the former well site. In surface photos from a 2020 site visit conducted by Canadian Natural, they identified rutting from vehicles on the former lease at the entrance from the access road to the lease.

[39] Canadian Natural pointed to the released access road to the former well site as a feature that allowed the landowner better access into his field and therefore created a point of entry for vehicle traffic that would cross the reclaimed well site during annual cropping activities. During the hearing they introduced the idea that farm equipment travelling across the site might create a trail and cause soil compaction. Canadian Natural's witness said that the crop would be transported after harvest in heavy truck loads, also potentially causing soil compaction.

[40] Although their air photo from 2022 did not show a vehicle trail across the former well site, Canadian Natural postulated that some of the inspector's sample points may have been on a vehicle trail originating where the released access road provides the landowner access to the field, creating a concentration of traffic across the well site. They said that, even though variable compaction was found on the site, their reclamation had met equivalent land capability because the compaction was from third-party impacts caused by the landowner's usage and farming practices.

[41] Cattle trails were noted in the field notes and figures included in the ERG inspector's report. In his testimony, the ERG inspector stated that he identified cattle trails while walking the site with Mr. Lorensen and pointed out to Mr. Lorensen that he could not consider them a defect as they were third-party impacts. During the hearing, the ERG inspector stated that he did not see vehicle tracks on the

former well site during his inspection. He also stated that he ensured that his sampling locations were not near the point where the access road entered the former well site.

[42] Canadian Natural pointed to the landowner's submissions which stated, "the ERG's inspection noted that the assessed points might have been influenced by historic rill areas and cattle trails, which CNRL failed to adequately consider or mitigate in their reclamation process."

[43] The ERG inspector did not identify the former rill erosion during the complaint inspection. A photo from 2020 shows an erosion rill in the landowner's field south of the former well site that requires the landowner to farm around it rather than through it.

[44] Canadian Natural said that their reclamation of the rill erosion on the former well site in 2016 and 2017 included compacting the deep soil layer to stabilize the soil and reduce erosion potential, but that topsoil layers were not compacted. They said in the hearing that natural processes may cause settling or changes to soil after reclamation ceases. They also said that they had not considered deep tillage to relieve compaction in the deeper soil layers of the former rill as that would expose the surface soil layers to greater risk of erosion, and that the surface soil layers did not show compaction in their 2017 DSA.

[45] Canadian Natural said that the inherent limitations of the slope and soil type, combined with the landowner's annual farming practices, would continue to make the former well site prone to erosion. They stated that further work to relieve any compaction might expose the site to additional erosion while not achieving a different outcome to compaction from third-party land uses.

Analysis and Findings

[46] According to section 2 of the *CRR*, the objective of conservation and reclamation "is to return the specified land to an equivalent land capability."

[47] Equivalent land capability is defined as follows:

...the ability of the land to support various land uses, after conservation and reclamation, similar to the ability that existed prior to an activity being conducted on the land, but that the individual land uses will not necessarily be identical.

[48] Section 6 of the *2010 Reclamation Criteria* states that, given the wide variety of land use types, soil zones, and landscapes, the criteria may not be applicable to all sites, and an assessor, operator, inspector, or reviewer may use other methods to assess equivalent capability. When an alternate method is used to assess a site, detailed justification is required as to why the criteria are not met but the site still meets equivalent land capability. Section 8.3, "Use of Professional Judgement," further sets out conditions where a site assessor can justify why a site meets equivalent land capability but does not pass the reclamation criteria assessment. These two sections guide all practitioners in applying and justifying professional judgement when they vary from the methodologies and conclusions set out in the criteria.

[49] When an application for reclamation certification is made with professional judgement justification, the reasons are reviewed before a certificate is issued. If third-party impacts such as landowner uses are the reason for the justification, *Conservation and Reclamation Information Letter 97-4* gives guidance on the type of information that may support the claim of equivalent land capability.

[50] Air photo analysis is one technique available to review sites when access is not possible. For example, if the air photos depict patterns that show the shape of the former well site or visible lighter areas, it might be interpreted that the former well site is different in function and operability from the surrounding field. When air photos from different years show similar patterns, it can be interpreted as similar conditions existing in those years. A predisturbance air photo from 1997 appears to show rill erosion across the slope of the field. A post-reclamation air photo from 2022 also shows that conditions of the former well site in 2022 were similar to the adjacent land, on the same slope. The air photo from 2022 does not show a visible outline or a visible erosion rill where the former well site was located. Further, the results of the complaint inspection did not identify any rill erosion on the former well site. The former well site appears to meet equivalent land capability in terms of rill erosion.

[51] However, the complaint inspection report identified soil compaction.

[52] ERG took no position on what the cause of compaction was, and we agree that it is not ERG's role to attribute cause of a condition found on a well site. Reclamation, including providing justification for variance from the criteria, remains the responsibility of the operator.

[53] The presence of cattle trails was not contested. The cattle moving over the trails repeatedly compacts the soil. Both Canadian Natural and ERG's evidence noted third-party impacts from cattle. Mr. Lorensen also pointed to cattle trails in his submissions. Canadian Natural noted that the landowner used the site for cattle and annual crops in their reclamation certificate applications. The predisturbance air photo from 1997 also showed cattle trails, which supports a conclusion that cattle trails were present before the well site was constructed. The land is and was used for growing crops and cattle grazing. We therefore conclude that third-party impacts from cattle were present on the site at the time of the complaint inspection and have led to compaction of the soil in some areas.

[54] We accept that the inspector chose his sampling sites away from the obvious cattle trails. ERG and Canadian Natural confirmed that location of cattle trails may vary and shift from year to year. It is possible that disused older cattle trails may not have been visible when sampling locations were chosen. The crop was mature and some of the older cattle trails may have been covered by the crop, which may have been the cause of compaction observed in some of the sample points.

[55] As long as the site is used for cattle grazing, it is possible that new cattle trails will emerge and create soil compaction in different areas of the site and older ones will remain. Therefore, third-party land use, namely cattle grazing and movement, can be an ongoing contributing factor to compaction.

[56] Canadian Natural posited that an additional potential cause of compaction was vehicle traffic from annual cropping practices. Canadian Natural's identification of ruts in photographs taken in 2020 at the entrance to the former well site supports their conclusion that farming traffic uses the access road to enter the field.

[57] It is reasonable to expect that the inspector would have avoided a visible vehicle trail, as he said he had located his sampling sites away from the access road entrance to the former well site. However, the crop was mature at the time of inspection, and it may have obscured previous years' third-party activity. Therefore, the soil compaction found in the selected sample points may have been caused by either cattle or vehicle traffic created in previous years that had been revegetated and were not visible during the year of inspection. We accept Canadian Natural's justification that vehicle traffic for farming activities is a potential cause of compaction.

[58] Mr. Lorensen suggested the reclamation of the former rill as a potential cause of the compaction. We agree that rill repair does require some compaction of the soil to stabilize erosion. However, reclamation of rill erosion can be difficult to achieve. Canadian Natural stated that further work to remediate compaction can be more damaging than beneficial. In this instance, we agree with Canadian Natural because of the conditions of the site. The site is located on a slope and there was photo evidence showing a large, unreclaimed rill off site in the adjacent field, causing a serious impediment to farming operability. We consider the former rill on the well site to have been reclaimed. An attempt to fix compaction issues may reverse the achievements of the rill erosion reclamation.

[59] Therefore, we accept Canadian Natural's conclusion that equivalent land capability was met because conditions on the former well site were similar to predisturbance and current conditions in the broader field. For this reason, we have decided to revoke the cancellation of reclamation certificate 30002609.

Are the Complaint Inspection Report and the Record of the Decision Maker Reliable?

[60] The complaint inspection took place on September 8, 2022, following which the inspector completed a complaint inspection report that included the following:

- rough notes recorded on site diagrams
- field notes of data collected at the six on-site and six off-site locations
- a table capturing the data and subsequent rating for all sites
- photos
- a brief description of the conditions found and the parameters that failed the inspection.

Submissions of the Parties

[61] Canadian Natural submitted that many aspects of the inspection and subsequent report were problematic. Therefore, they reasoned that the cancellation of the reclamation certificate was made in error. They pointed to unreliability of the report due to errors in the report, errors in the site inspection, and a lack of an opportunity to respond before the cancellation took effect. Given these errors, Canadian Natural questioned the reliability of the report as the basis of cancellation of the reclamation certificate.

[62] The report set out the findings of the complaint inspection, including handwritten rough notes made on a site diagram sheet showing the location of the site, the sample points, and controls. The report also includes formalized diagrams, photos, figures, and tables depicting the site locations; the data collected; and the findings of the inspection. In the report, prepared in 2022, some labelling changes are visible as hand corrections on the labels of photos included.

[63] During the hearing, the ERG inspector filed revised handwritten rough notes on the site diagram sheets, which made corrections to the labelling of on-site and off-site locations of the original rough notes. This document was signed and dated, with the date of hearing February 20, 2025, and was entered into the evidence of the hearing. The ERG inspector said that the only change had been to labelling, which did not change the data collected at each location or his conclusions.

[64] Canadian Natural said that there were at least 10 labelling changes that caused confusion, and it was not clear that the data in the tables reflected conditions at the locations sampled. Some of the parameters for investigation were not measured during the inspection, so the data table was incomplete. It was unclear if photographs, labelled by hand, corresponded to the original site labelling or the revised site labelling.

[65] Canadian Natural's submission indicates that they received an email notifying them of the intended cancellation and contacted ERG immediately requesting more information on the reasons for the cancellation. Canadian Natural said that there was some back-and-forth communication with the ERG inspector, after which ERG provided the complaint inspection report in an email. In that email, the inspector indicated that the site failed the inspection and that the reclamation certificate would be cancelled.

[66] Nineteen days passed from the date of the email to the issuance of the cancellation letter. The record of the decision maker does not include any formal correspondence between the parties during this period.

Analysis and Findings

[67] It is challenging to follow the report of the inspector in the record of the decision maker because of the changes to labelling and labelling issues. This also caused confusion when reviewing the photographs taken during the inspection. It is not clear whether only the labelling had changed or whether

the data also had been inaccurately entered into the data tables where rating comparisons were made. As the rating comparisons are the basis of a pass or fail determination for any one of the sampling locations and are based on the field data, any confusion between field site locations and the data tables is a serious error.

[68] As no explanation was provided by the ERG inspector on why he changed the labelling from his rough notes to his formal report, we cannot conclude whether it was a mistake during the report preparation or in the field data collection. Both possibilities call into question the reliability of the data on which the decision was made.

[69] The revised rough field notes were entered into the record of the hearing, but the record of the decision maker on which the decision was made remains unclear, ambiguous, and with original errors. Moreover, there was confusion at the hearing about who the ultimate decision maker was: the inspector or his manager, who signed the notification letter to cancel the decision. The inspector or his manager appears to have made their decision on the unclear and ambiguous original report. If the ultimate decision maker was the inspector's manager, it would have been even more important to have a clear and reliable report for making the decision. We note that the correction of labelling of rough notes took three years to be acknowledged by ERG and only after Canadian Natural pursued a regulatory appeal.

[70] The evidence at the hearing shows that Canadian Natural was informed of the result of the inspection through an email stating, "Here is the result of the complaint inspection of the Lorenson site. The report shows the site fails, and I'll need to cancel the reclamation certificate."

[71] This email was not included in the record of the decision maker.

[72] It is reasonable to accept that Canadian Natural also may have found it challenging to follow the report of the inspector because of the problems and errors in the information. It was unfair to expect Canadian Natural to respond when it had inaccurate information. In the absence of other documented steps to obtain a response from Canadian Natural, it is reasonable to accept that after receiving this email, Canadian Natural would have assumed the decision was already made to cancel the reclamation certificate and no further steps were contemplated.

[73] The quality of the record of the decision maker for this proceeding remains in question and makes the evidence unreliable. While the rough field notes were changed at the hearing, that would not be enough to correct the entirety of the record. This record is made from a chain of data transfer. The chain starts with data gathering and recording in the field, then data processing and analysis, and lastly reporting. There were numerous errors in one step along this chain, and that makes the whole chain unreliable. It is possible that errors have been carried through into the subsequent steps. That is why making corrections or changes to field notes, one intermediary step in this chain of data handling, is not sufficient for making the whole of the evidence reliable. To make the whole chain of data or evidence

reliable, every step must be rechecked and reconfirmed to ensure that errors have not been carried through. Since only one step was corrected, we cannot assume the whole chain is now corrected and reliable.

[74] We cannot confidently rely on the evidence to reach the same conclusion to cancel the reclamation certificate that the ERG decision maker reached and, therefore, we revoke the cancellation of reclamation certificate 30002609.

Participation of Landowner

[75] Mr. Lorensen was granted participation in the hearing and made submissions. The original hearing was postponed at Mr. Lorensen's request. The hearing was rescheduled to a time agreed to by all parties, and he again did not attend the hearing. Since Mr. Lorensen did not attend the hearing, he could not question Canadian Natural or ERG or present final argument. Similarly, the other parties did not have the opportunity to test Mr. Lorensen's submissions. Therefore, we can put little weight on Mr. Lorensen's evidence.

[76] We note, however, that once a reclamation certificate is issued, the operator is responsible for surface reclamation for 25 years. The reclamation certificate can be cancelled following a failed audit or substantiated landowner complaint regarding surface reclamation at any point during that 25-year period.

Conclusion

[77] We have decided to revoke the cancellation of reclamation certificate 30002609. As set out in this decision, our reasons for revoking the cancellation are twofold:

- The site conditions were similar to predisturbance conditions and support the landowner's uses of annual cropping and cattle grazing and therefore the former well site meets equivalent land capability.
- The record of the decision maker and complaint inspection report, on which the cancellation decision was based contains errors, which erodes its reliability.

Dated in Calgary, Alberta, on May 7, 2025

Alberta Energy Regulator

Parand Meysami, MSc, PEng, LLB
Presiding Hearing Commissioner

Elizabeth McNaughtan, MBA, PAg
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Appendix 1 Hearing Participants

Principals and Representatives
(Abbreviations used in report)

Witnesses

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Appendix 2 Reclamation Certificate and Cancellation Order

November 25, 2022

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**RE: Cancellation of Reclamation Certificate No. 30002609
NORCEN LINDBERGH 8-35-56-5;
QS. SE SEC.35 TWP. 56 RGE. 5 W4M
Canadian Natural Resources Limited
Correction to October 17, 2022 Notice of Cancellation**

Dear Ms. Gerow:

On October 17, 2022, the Alberta Energy Regulator (**AER**) Enterprise Reclamation Group (**ERG**) provided notice to Canadian Natural Resources Limited that Reclamation Certification number 30002609 was cancelled pursuant to section 139(1)(b) of the *Environmental Protection and Enhancement Act* (**EPEA**) and, in accordance with section 139(3) of EPEA, was considered never to have been issued (**October Notice**).

The October Notice contained a typographical error, which is described below. This letter gives notice that, pursuant to section 56 of the *Alberta Energy Regulator Rules of Practice*, the AER has corrected that typographical error. A corrected notice of cancellation in respect of Reclamation Certification number 30002609 is enclosed.

The October Notice set out that Reclamation Certification number 30002609 has been cancelled pursuant to section 139(1)(b) of EPEA. The reference to section 139(1)(b) was a typographical error. Reclamation Certification number 30002609 was cancelled pursuant to section 139(1)(c) of EPEA.

Sincerely,



Andrew MacPherson

Director, In Situ Regulatory Applications

Encl.

cc: Lane Henry Lorenson

Certificate No. 30002609

October 17, 2022

Kira Gerow
Canadian Natural Resources Limited
2100, 855-2nd St. S.W.,
Calgary, AB. T2P 4J8

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

www.aer.ca

**Re: Cancellation of Reclamation Certificate 30002609
NORCEN LINDBERGH 8-35-56-5;
QS. SE SEC.35 TWP. 56 RGE. 5 W4M**

Dear Kira:

This letter gives notice that Reclamation Certification number 30002609 has been cancelled, pursuant to section 139(1)(b) of the *Environmental Protection and Enhancement Act* (“EPEA”), and is considered never to have been issued (s. 139(3)). The reason for the cancellation is:

A complaint inspection held on September 8, 2022 showed that the site fails the reclamation criteria requirements related to soil rooting restrictions, soil compaction, root matting and soil layering. The complaint inspection also showed vegetation failures with respect to plant height and head length in the areas with soil concerns on site. A copy of the complaint inspection held at the site is included for your information.

Private Land: Should you no longer have consent from the landowner to gain entry for the purposes of reclamation, or you are unable to obtain that consent, s. 13.1 of the Surface Rights Act enables you to apply to the Surface Rights Board for an order granting you right of entry.

Under the *Responsible Energy Development Act* an eligible person may file a request for a regulatory appeal on an appealable decision. Eligible persons and appealable decisions are defined in section 36 of the *Responsible Energy Development Act* and section 3.1 of the *Responsible Energy Development Act General Regulation*. If you wish to file a request for regulatory appeal, you must submit your request in the form and manner and within the timeframe required by the AER. You can find filing requirements and forms on the AER website www.aer.ca under Applications & Notices: Appeals.

Should you have any questions or concerns please contact 1-855-297-8311 or recremquestion@er.ca.

inquiries 1-855-297-8311
24-hour
emergency 1-800-222-6514

Sincerely,



Corey Zadko

Manager, Enterprise Reclamation

Enclosure(s)

cc:

Lane Henry Lorenson	Box 942, Elk Point, Alberta	T0A 1A0
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January 28, 2021

Edmonton Office
4th Floor, Twin Atria Building
4999 – 98 Avenue
Edmonton, Alberta T6B 2X3
Canada

www.aer.ca

Lane Henry Lorenson
Box 942
Elk Point , Alberta T0A 1A0

**RE: Canadian Natural Resources Limited
NORCEN LINDBERGH 8-35-56-5
SE 8-35-56-5-W4M**

Enclosed is a copy of the **Reclamation Certificate No. 30002609** issued to Canadian Natural Resources Limited

The Responsible Energy Development Act (REDA) permits the filing of a request for a regulatory appeal by an eligible person in regards to an appealable decision as defined in Section 36 of *REDA*.

If you are eligible to file a request for a regulatory appeal and you wish to do so, you must submit your request in the form and manner and within the timeframe required by the AER. Filing requirements are set out in Section 30 of the *Alberta Energy Regulator Rules of Practice* available on the AER website, www.aer.ca, under Rules & Directives > Acts, Regulations and Rules. Regulatory appeal requests should be e-mailed to RegulatoryAppeal@aer.ca.

Should you have any questions or concerns, please do not hesitate to contact me directly by phone at 1-855-297-8311 e- mail at RecRemQuestions@aer.ca.

Sincerely,



Designated Inspector Under the Act

RECLAMATION CERTIFICATE NO. 30002609

This reclamation certificate is issued pursuant to section 138 of the Environmental Protection and Enhancement Act (the act), following a review of the information provided in the application. No reclamation inquiry has been held.

This certifies that the surface of the land held by Canadian Natural Resources Limited, in connection with or incidental to the activities:

Asset Information

Asset/Authorization Reference Number	Name	Asset Type	LLD
0202295	NORCEN LINDBERGH 8-35-56-5	Well	8SE-35-56-5W4M

Associated Activities

Activity Type	If other (Describe)	Legal Land Description	Construction Practice Degree of Disturbance
Access Road		8-35-56-5-W4M	Full disturbance

as shown outlined in yellow on the attached plan(s), complies with the conservation and reclamation requirements of Part 6 of the act.

Issued on January 28, 2021

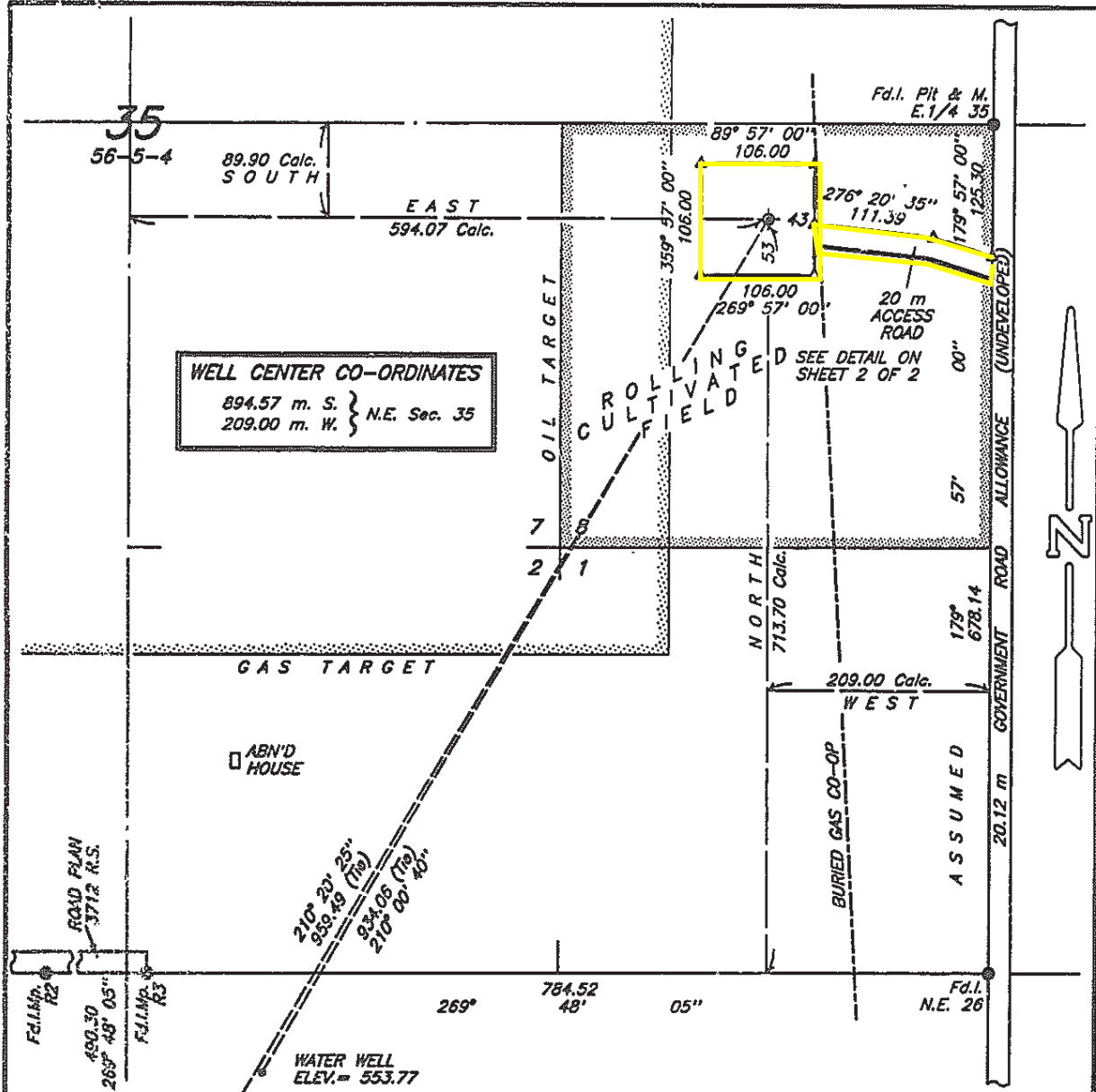


Brad Dunkle
Designated Inspector Under the Act

Operator/Agent:
Canadian Natural Resources Limited
2100, 855 - 2 St SW
Calgary
T2P 4J8

The AER may cancel this reclamation certificate pursuant to section 139 of the act where it is of the opinion that further work may be necessary to conserve and reclaim the above specified land to which this certificate relates.

The Responsible Energy Development Act (REDA) permits the filing of a request for a regulatory appeal by an eligible person in regards to an appealable decision as defined in section 36 of REDA. If you are eligible to file a request for a regulatory appeal and you wish to do so, you must submit your request in the form and manner and within the timeframe required by the AER. Filing requirements are set out in section 30 of the Alberta Energy Regulator Rules of Practice available on the AER website, www.aer.ca, under Rules & Directives > Acts, Regulations and Rules. Regulatory appeal requests should be e-mailed to RegulatoryAppeal@aer.ca.
Alberta Energy Regulator Suite 1000, 250 Street SW, Calgary, Alberta T2P 0R4



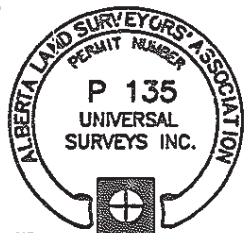
WELL CENTER CO-ORDINATES
 894.57 m. S. } N.E. Sec. 35
 209.00 m. W. }

**Plan Showing Survey of
 Well Site and Access Road
 NORCEN LINDBERGH 8-35-56-5**

within
L.S. 8 Sec. 35 Twp. 56 Rge. 5 W. 4th Mer.

I, FRED HINCLEY, ALBERTA LAND SURVEYOR, OF SHELDON PARK ALBERTA, CERTIFY THAT THE SURVEY REPRESENTED BY THIS PLAN IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, HAS BEEN CARRIED OUT IN ACCORDANCE WITH THE PROVISIONS OF THE ALBERTA LAND SURVEYORS ASSOCIATION MANUAL OF SURVEYING PRACTICE, AND WAS COMPLETED ON THE 22 ND DAY OF MAY 1997.

Fred Hincley
 ALBERTA LAND SURVEYOR
 WITNESS - *Jay Adams*



ELEVATIONS : WELL CENTRE : 581.58
 N.W. COR. : 577.10 N.E. COR. : 585.93
 S.W. COR. : 572.03 S.E. COR. : 582.52
 DATUM : A.S.C.M. 195800, ELEV. = 641.47

LOCAL CO-ORDINATES :
 713.70 m. N. OF S. BOUNDARY } SEC. 35
 209.00 m. W. OF E. BOUNDARY }

GEOGRAPHIC CO-ORDINATES :
 LATITUDE = 53° 52' 53.6" } DATUM :
 LONGITUDE = 110° 37' 38.2" } NAD 83

AREAS :
 WELL SITE = 1.124 ha. 2.78 Ac.
 ACCESS ROAD = 0.339 ha. 0.84 Ac.
 TOTAL AREA = 1.463 ha. 3.62 Ac.



NOTE :
 THE PROPOSED WELL IS :
 - AT LEAST 1.50 km FROM THE CORPORATE LIMITS OF A CITY, TOWN OR VILLAGE.
 - OUTSIDE ANY POTENTIAL COAL DEVELOPMENT AREA.
 - AT LEAST 100 m FROM THE NORMAL HIGH WATER MARK OF ANY SIGNIFICANT WATER BODIES.
 - AT LEAST 100 m FROM ANY SURFACE IMPROVEMENTS AND IS AT LEAST 40 m FROM ANY SURVEYED ROAD.
 - AT LEAST 5.0 km FROM A LIGHTED AIRPORT.
 - AT LEAST 1.0 km FROM AN UNLIGHTED AIRPORT.
 - EXPECTED TO ENCOUNTER ONLY HYDROCARBONS THAT ARE ESSENTIALLY FREE OF H₂S.
 THERE ARE NO SURFACE OR UNDERGROUND IMPROVEMENTS WITHIN 200 m OF WELL LOCATION, EXCEPT AS SHOWN.

YES	NO
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
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<input type="checkbox"/>	<input type="checkbox"/>

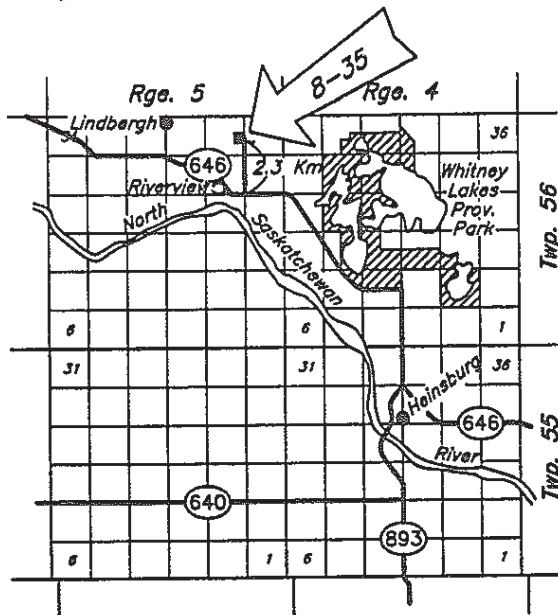
PREPARED BY:

UNIVERSAL SURVEYS INC.
 15111-123rd AVENUE
 EDMONTON, ALBERTA
 PHONE : 454-3030

OPERATOR :
NORCEN ENERGY RESOURCES LIMITED
Norcen
 FILE No. AS-11521
[Signature]
 REVISED : W. BOY. ELEV.'S - MAY 23/97

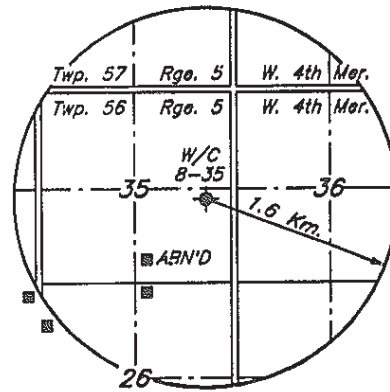
SHEET:
 1 of 2

DM, JAA, FH JOB No. 97-577
 ACAD FILE No. 97577W01



ROUTE SKETCH

Scale = 1:250,000

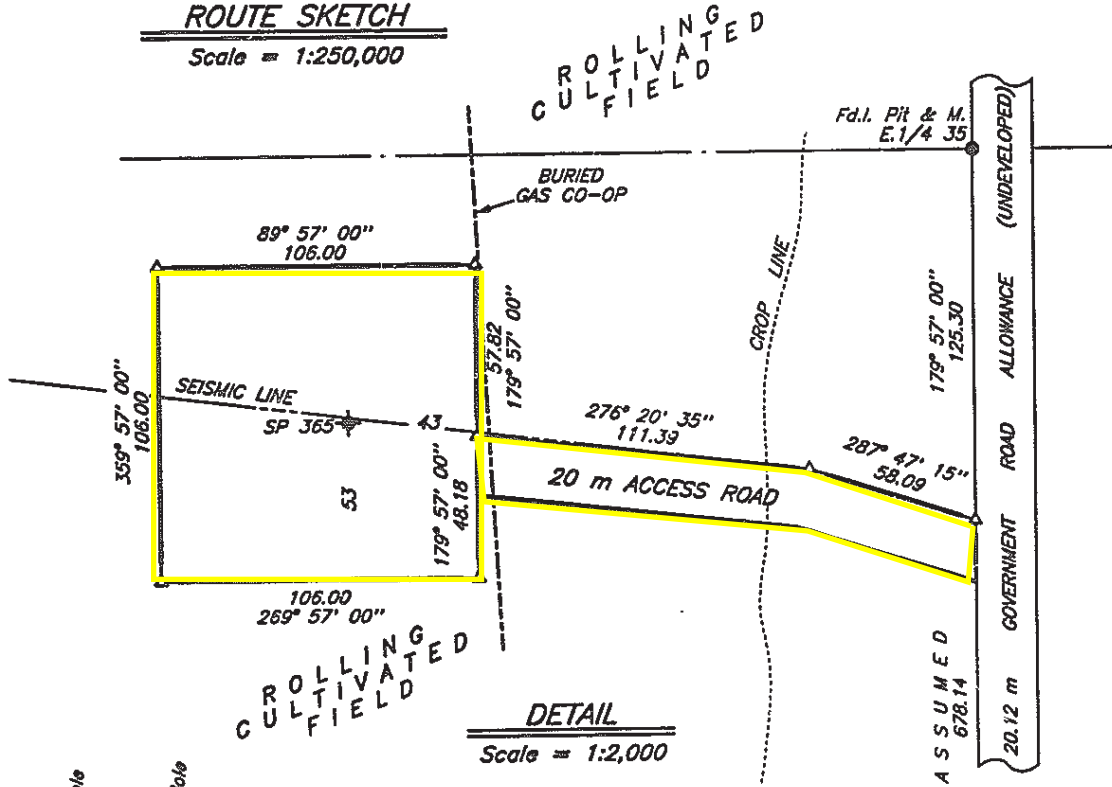


RESIDENCE SKETCH

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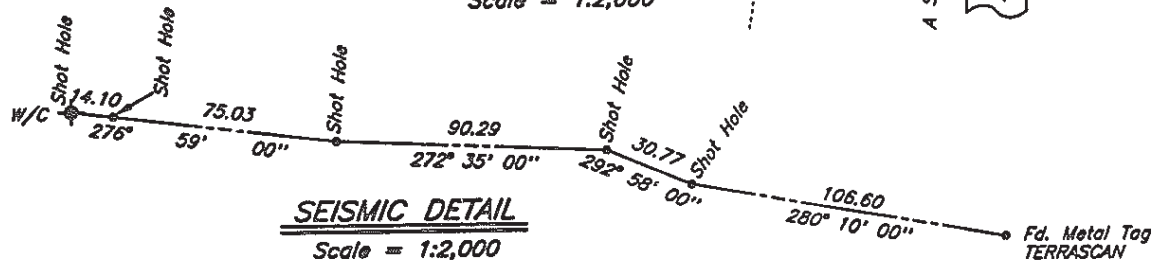
Residences shown thus ...

NOTE : There is 1 residence within 1.6 km of 8-35 well location.



DETAIL

Scale = 1:2,000



SEISMIC DETAIL

Scale = 1:2,000

Plan Showing Survey of
Well Site and Access Road
NORCEN LINDBERGH 8-35-56-5
within
L.S. 8 Sec. 35 Twp. 56 Rge. 5 W. 4th Mer.

SCALE : A S S H O W N

LEGEND :
SURVEY MONUMENTS PLANTED SHOWN THIS Δ
SURVEY MONUMENTS FOUND SHOWN THIS ●
DISTANCES ARE IN METRES AND DECIMALS THEREOF.
PORTIONS REFERRED TO BOUNDED THIS
REVISED : W. BOY. ELEV.'S - MAY 23/97

SHEET:
2 of 2



PREPARED BY:
UNIVERSAL SURVEYS INC.
15111 - 123 rd AVENUE, EDMONTON
ALBERTA PHONE : 454-3030

DM, JAA, FH

JOB No. 97-577

ACAD FILE No. 97577W01