

BY E-MAIL ONLY

December 13, 2017

Stan Matthews

**COMPANY NAME: SINOPEC DAYLIGHT ENERGY LTD.**

**APPLICATIONS NO. 130056 & 130597**

**STATEMENTS OF CONCERN NO. 30774 & 30775**

Dear Stan Matthews:

You are receiving this letter because you filed statements of concern about Applications No. 130056 and 130597, pertaining to the reclamation of well sites located at 02-01-048-03W5M and 08-01-048-03W5M, respectively. The Alberta Energy Regulator (AER) has reviewed your statement of concern, along with the application, the applicable requirements, and other submissions or information about the application. The AER has decided that a hearing is not necessary to consider the concerns outlined in your statement of concern.

In its review of your concerns, the AER considered the following:

- Your main concern on both applications is with improper land contour and drainage in relation to the reclamation work at the well sites and access road, which are located on your lands.
- A detailed site assessment (DSA) was conducted at the site located at 02-01-048-03W5M (the 02-01 site) on August 13, 2014 by Summit Liability Solutions Inc. (Summit). A DSA of the access road was conducted on May and July 2015. The results of the DSAs indicate that landscape (including contour and drainage), soils, and vegetation at the site and lease road were comparable to offsite adjacent lands.
- The 02-01 site was re-contoured in 2011, with soils added to the southwest corner and clay soils across the pipeline right of way graded down and re-distributed. A swale was also contoured on the site to address drainage.

- An aerial assessment of the 02-01 site conducted in 2014 confirmed that drainage on the site moved from southwest to northeast, which is consistent with the landscape and drainage patterns off-site.
- Disking & rotospikeing were also completed on the drainage area/onsite swale in May 2015 to assist with drainage across the wellsite.
- The AER conducted an inspection of the 2-01 site on June 7, 2017. The inspector noted that poor vegetation growth found within an on-site drainage swale was comparable to off-site conditions.
- A DSA was conducted by Summit at the site located at 08-01-048-03W5M (the 08-01 site) and access road in 2015. The results of the DSA indicate that landscape (including contour and drainage), soils, and vegetation at the site and lease road were comparable to offsite adjacent lands.
- An aerial assessment of the 08-01site conducted in 2014 confirmed that drainage on the site moved from south to northeast, which is consistent with the landscape and drainage patterns off-site.
- The AER conducted an inspection of the 8-01 site on June 7, 2017. The inspector noted drainage moves from the south side of the site and heads north east into a low area on the field. Off-site pooling of the water in the low area was noted by the inspector to be due to natural drainage patterns, and did not appear to be due to the reclamation of the site.
- The low area along the 8-01 site access road was disked in in 2015 to improve drainage.
- Sinopec considered your request to alter drainage patterns at the sites (i.e. re-direction to the northwest), but was of the view that such alterations would be unnatural to the topography of the area and may increase the standing water on-site.
- Information from the site visits and the DSAs demonstrates that the sites meet the *2010 Reclamation Criteria for Wellsites and Associated Facilities for Cultivated Lands (2010 Reclamation Criteria)* for landscape, soils and vegetation.
- The *2010 Reclamation Criteria* are applied “to evaluate whether a site has met equivalent land capability.” Given that the sites meet the *2010 Reclamation Criteria*, the AER is satisfied that the sites have met equivalent land capability.

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

The AER has issued the applied-for reclamation certificate and this is your notice of that decision. A copy of the reclamation certificate is enclosed. 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, <http://www.aer.ca/applications-and-notice/appeals>.

If you have any questions, contact Lynn Maric at 403-297-5292 or e-mail [lynn.maric@er.ca](mailto:lynn.maric@er.ca).

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24-hour  
emergency 1-800-222-6514

Sincerely,

<Original signed by>

Tania De Silva  
Director, Oil & Gas Closure and Liability

Enclosure (2): Reclamation Certificate

cc: Jeff Wilton, Sinopec Daylight Energy Ltd.  
AER SOC Coordinator  
AER Drayton Valley Field Centre