

BY EMAIL ONLY

December 12, 2019

MEG Energy Corp.
Attn: Sachin Bhardwaj**RE: Cenovus Energy Inc. (Cenovus)**
Application No.: 1609311 and 1609317
Statement of Concern No.: 31593 and 31594

Dear Sachin Bhardwaj:

You are receiving this letter because you filed a statement of concern about Applications No. 1609311 and 1609317. The Alberta Energy Regulator (AER) has reviewed your statements of concern, along with the company's applications, and all applicable requirements and other submissions or information about the applications. The AER has decided that a hearing is not required to consider the concerns outlined in your statement of concern.

In our review of your concerns, we considered the following:

- You raise concerns regarding future pipeline licensing applications that Cenovus will need to file and the Emergency Response Zones (EPZ). These concerns are beyond the scope of these applications as they are in relation to the *Directive 056: Energy Development Applications and Schedules ("D056")* licensing requirements. The proposed projects have been applied for under the *Public Lands Act* and will only authorize the construction and rights in relation to the surface activities. As per *D056*, Cenovus is required to include any known objectors in its participant involvement notification program for any infrastructure applications in the area, and to notify MEG Energy when those applications are submitted.
- Your concerns regarding the previously approved Cenovus' OSCA and EPEA applications are beyond the scope of these applications. Cenovus currently has approvals to develop a commercial scheme for recover of crude bitumen at the

Narrows lake Thermal Project (NLTP) and Christina Lake Thermal Project (CLTP).

- In regards to your concerns about winter access, Cenovus has committed to work with MEG to provide mitigation, or other alternative routes to secure access.
- In regards to your concerns about access to existing remote sumps and laydown sites via LOC122274, as these locations are under reclamation, MEG will be able to gain access via ATV.
- In respect to your concerns regarding the proposed Mineral Surface Lease (MSL) footprint overlapping MEG's existing dispositions, Cenovus must have all applicable crossing and proximity agreements in place prior to construction of the proposed projects.
- In respect to your concerns regarding access control, Cenovus is willing to share security gate information with MEG upon their request. Cenovus plans to also add a security gate to control access approaching from the north. Cenovus has provided sufficient rationale and mitigation for all variances requested under the *Public Lands Act*.
- MEG has not demonstrated that it may be directly and adversely affected by the subject public land applications.
- The activities proposed in the area of the applications are permitted under the Lower Athabasca Regional Plan (LARP).
- Cenovus is required to meet all environmental and regulatory requirements.

Whether a decision of the AER may directly and adversely affect a statement of concern filer is to be considered by the AER in light of the evidence properly adduced before it¹. Based on the above, the AER has concluded that it is not necessary to hold a hearing before making a decision on the applications. The AER has issued the applied-for approvals and this is your notice of those decisions. Copies of those approvals are enclosed.

All AER- regulated parties must comply not only with the conditions of their authorizations, but with all of the AER's regulatory requirements. To ensure industry compliance the AER has developed its *Integrated Compliance Assurance Framework*, which embodies the three main components of all effective compliance assurance programs, those being education, prevention, and enforcement. You can find out more about how the AER verifies industry compliance and responds to noncompliance here: <https://aer.ca/regulating-development/compliance/compliance-assurance-program>.

You may file a regulatory appeal on the AER's decision to issue the approvals if you meet the criteria within section 36 of the *Responsible Energy Development Act*. Filing instructions and forms are on our website under Regulatory Appeal Process.

¹ *O'Chiese First Nation v Alberta Energy Regulator*, 2015 ABCA 348 at para 43.

If you have any questions please contact SOC@aer.ca.

Sincerely,

<Original Signed By>

Rob Cruickshank
Director, Authorizations

Enclosure (2): (Approval)

cc: Cenovus Energy Inc, Michael A. Penner
AER SOC Assessor
AER Fort McMurray Field Centre