

BY E-MAIL ONLY

March 24, 2016

Ryan Weisbrot, P.Eng.

Canadian Natural Resources Limited

**APPLICATION No. 1842650 from SIGNALTA RESOURCES LIMITED
STATEMENT OF CONCERN NO. 30057**

Dear Ryan Weisbrot:

You are receiving this letter because you filed a statement of concern about Application No. 1842650. 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 and has decided that a hearing is not required under an enactment or otherwise necessary to consider the concerns outlined in your statement of concern.

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

- Canadian Natural Resources Limited (CNRL) submitted that the application was not complete as per *Interim Directive 99-1: Gas/Bitumen Production in Oil Sands Areas Application, Notification, and Drilling Requirements (ID 99-1)* and that there was log evidence of bitumen accumulations in the Colony and McLaren within a reasonable radius of influence around the subject well. CNRL stated that the 100/07-32-056-01W4 (7-32) is within 1.3 Km from 103/16-31-56-1W4 (16-31) and Gas/Water/Oil are present within the Colony Sand.
- The AER has reviewed the application and is satisfied that the application meets requirements as per *ID 99-1*.
- CNRL has not demonstrated that its bitumen interests may be directly and adversely impacted by gas production from the 16-31 well. The wells in closest proximity to the 16-31 well do not have bitumen present, CNRL has not provided correlations or maps or seismic to demonstrate that the 7-32 well is in the same pool as the 16-31,

and the location of the 7-32 well in relation to the 16-31 well suggests that the 7-32 well is in a different stratigraphic trend than the 16-31 well.

- CNRL can file an application under section 3(5) of the *Oil Sands Conservation Rules (OSCR)* to have gas production shut in to protect CNRL's bitumen assets. As gas production is already occurring in other areas of the pool, a section 3(5) *OSCR* application is the appropriate process because it would examine the impact of gas production on a pool basis, rather than on a single well.

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

The AER has issued the applied-for approval and this is your notice of that decision. A copy of the approval is attached. 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.

If you have any questions, contact Molly Chmelyk at _____ or e-mail _____.

Sincerely,

<original signed by>

Andrew MacPherson
Director, In Situ Authorizations

cc: Robert Hunt, Signalta Resources Limited
Authorizations Branch Support
AER Bonnyville FieldCentre