

BY E-MAIL ONLY

November 16, 2016

Margaret Luker
Consultation Coordinator
Mikisew Cree GIR**APPLICATION No. 1852014 FROM ATHABASCA OIL CORPORATION (AOC)
STATEMENT OF CONCERN NO. 30199**

Dear Margaret Luker:

You are receiving this letter because you filed a statement of concern about Application No. 1852014 on behalf of the Mikisew Cree First Nation (MCFN). 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 the MCFN's concerns, the AER considered the following:

- Athabasca Oil Corporation's HangingStone SAGD Phase 1 operation is located approximately 205 kms south southwest of the MCFN's closest reserve, Old Fort 217. It is also located approximately 20 km southwest of the community of Fort McMurray and approximately 250 km south southwest of the community of Fort Chipewyan, which you have submitted are major population centers for members of the MCFN.
- The Hangingstone SAGD Phase 1 operation is located on lands identified by the MCFN as its traditional lands.
- AOC's application is to increase the Maximum Operating Pressure (MOP) of the SAGD Phase 1 wells from 1900 kPag to 2100 kPag and would amend a subsurface operation only. The proposed increase to the MOP will result in a pressure that is less than the maximum that could be granted using the full 80% of fracture gradient pressure as per *Draft Directive 86: Reservoir Containment Application Requirements*

for Steam Assisted Gravity Drainage Projects in the Shallow Thermal Area of Athabasca Oil Sands Area (November 2015).

- Whether a decision of the AER may directly and adversely affect a party such as the MCFN is to be considered by the AER in light of the evidence properly adduced before it.
- The concerns raised by the MCFN are general in nature and the MCFN did not provide sufficient detail on where activities by MCFN members take place and what those activities are, or how those activities may be impacted by the Application. Accordingly, the MCFN has not demonstrated that it or its members may be directly and adversely affected by the Application.

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 Ken Hale at 403-297-8405 or e-mail ken.hale@er.ca.

Sincerely,

<original signed by>

Andrew MacPherson, P. Eng
Director, In Situ Authorizations

Enclosure Approval # 11888E

cc: Jerry Demchuk, Athabasca Oil Corporation
Authorizations Branch Support, ARCTeam@er.ca
AER Aboriginal Relations, AR.Director@er.ca

BY E-MAIL ONLY

November 16, 2016

Linda Aidnell
Consultation & Regulatory Affairs Coordinator
Chipewyan Prairie IRC

**APPLICATION No. 1852014 FROM ATHABASCA OIL CORPORATION (AOC)
STATEMENT OF CONCERN NO. 30209**

Dear Linda Aidnell:

You are receiving this letter because you filed a statement of concern about Application No. 1852014 on behalf of the Chipewyan Prairie Dene First Nation (CPDFN). 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 the CPDFN's concerns, the AER considered the following:

- Athabasca Oil Corporation's HangingStone SAGD Phase 1 operation is located approximately 72 km northwest of the CPDFN closest reserve and townsite of Janvier IR194.
- The Hangingstone SAGD Phase 1 operation is located on lands identified by the CPDFN as its traditional lands.
- AOC's application is to increase the Maximum Operating Pressure (MOP) of the SAGD Phase 1 wells from 1900 kPag to 2100 kPag and would amend a subsurface operation only. The proposed increase to the MOP will result in a pressure that is less than the maximum that could be granted using the full 80% of fracture gradient pressure as per *Draft Directive 86: Reservoir Containment Application Requirements for Steam Assisted Gravity Drainage Projects in the Shallow Thermal Area of Athabasca Oil Sands Area (November 2015)*.

- Whether a decision of the AER may directly and adversely affect a party such as the CPDFN is to be considered by the AER in light of the evidence properly adduced before it.
- The concerns raised by the CPDFN are general in nature and the CPDFN did not provide sufficient detail on where activities by CPDFN members take place and what those activities are, or how those activities may be impacted by the Application. Accordingly, the CPDFN has not demonstrated that it or its members may be directly and adversely affected by the Application.

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 Ken Hale at 403-297-8405 or e-mail ken.hale@aer.ca.

Sincerely,

<original signed by>

Andrew MacPherson, P. Eng
Director, In Situ Authorizations

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