

BY E-MAIL ONLY

August 14, 2018

Kelly Grainger

IMPERIAL OIL RESOURCES LIMITED
OIL SANDS CONSERVATION ACT (OSCA) APPLICATION NO. 1854138
ENVIRONMENTAL PROTECTION AND ENHANCEMENT ACT (EPEA)
APPLICATION NO. 013-73534
STATEMENTS OF CONCERN NO. 30263 & 30264

Dear Kelly Grainger:

You are receiving this letter because you filed statements of concern about Applications No. 1854138 and 013-73534. The Alberta Energy Regulator (AER) has reviewed your statements of concern (SOC), along with the applications, the applicable requirements, and other submissions or information about the applications. The AER has decided that a hearing is not required under an enactment, or necessary, to further consider the concerns outlined in your statements of concern.

The AER's review of your concerns included, but was not limited to, the following considerations:

- The project is an expansion to Imperial's Cold Lake existing operations, and the potential environmental impacts of the increased disturbance are addressed by Imperial's planned mitigations, and the approval conditions required by the AER. Imperial was required to submit an Environmental Impact Assessment, which the AER has deemed technically complete and satisfactory, and it informs the EPEA approval conditions. These conditions include, but are not limited to, addressing matters relating to wildlife, groundwater, surface water and soil monitoring.
- Regarding your concerns about drilling under Marie Lake, Imperial has committed to not drill under Marie Lake or the Marie Lake residential subdivision and campground.

- Based on community feedback, Imperial has relocated well pads and infrastructure that was in close proximity to residents. The closest observation well is 800 meters from the nearest residence, and the closest well pad is now 1.8 kilometers from a residence.
- Imperial has predicted the Cold Lake Expansion (CLE) project will not require an increase in water allocations from Cold Lake or from groundwater sources. The project will recycle produced water, will be interconnected with the existing Cold Lake Operation infrastructure, and will have access to the same water sources.
- AER geological and engineering specialists have reviewed the technical aspects of the project, including caprock integrity, the integrity of existing wellbores potentially affected by thermal operations, and the use of solvent, and have determined that the project meets AER regulatory and technical requirements.
- Regarding your concerns about groundwater quality, arsenic in groundwater, and groundwater monitoring, Imperial must adhere to the requirements of Alberta Environment and Parks' *Directive for the Assessment of Thermally-Mobilized Constituents in Groundwater for Thermal In Situ Operations*. The AER incorporates these requirements in its approvals for the project.
- Regarding your concerns about air quality, the air assessment conducted for the CLE project was reviewed by AER specialists, and the conclusions were deemed to be reasonable and representative of the project. The air dispersion modelling was conducted in accordance with the Alberta Air Quality Model Guidelines. The model predictions demonstrate that the project will not result in adverse impacts to the cumulative regional ambient air quality.
- You expressed concerns about the impacts of noise and light from the project. Imperial will be required to meet the requirements of *Directive 038: Noise* when the facilities are operational, and the approval contains project-specific conditions to mitigate the effects of noise from the facility. Imperial will incorporate the Cold Lake Expansion into its current Cold Lake Operations lighting mitigation strategies, which includes shielding of plant lights, and pad light standards remaining off unless operational activities are required to extend into the evening.
- Although the AER does not have jurisdiction over traffic, the AER notes that Imperial will be required to implement an access management plan to mitigate the effects of increased traffic and access associated with the project.

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Based on the foregoing, the AER is satisfied that the concerns outlined in your SOC have been addressed to the satisfaction of the AER through Imperial's responses and proposed mitigation measures, and through standard and project-specific conditions included in the approvals. The AER has issued the applied-for approvals and this is your notice of that decision. Copies of the approvals are 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, <http://www.aer.ca/applications-and-notice/appeals>.

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If you have any questions regarding the approvals, please contact Shay Dodds at 403-297-7023 or e-mail Shay.Dodds@aer.ca.

If you have questions regarding the statement of concern process, please contact Lonny Olsen at 403-297-3513 or email Lonny.Olsen@aer.ca

Sincerely,

<original signed by>

Hélène de Beer

Director, Authorizations In Situ

Enclosure (2): **(Approvals)**

cc: Sandy J. Campbell, Imperial
AER SOC Coordinator
AER Bonnyville Field Center Field Centre
AER Indigenous Relations,
Aboriginal Consultation Office