

June 16, 2016

Mark Roberts

Calgary Head Office
Suite 1000, 250 – 5 Street SW
Calgary, Alberta T2P 0R4
Canada

www.aer.ca

**APPLICATION NO. 1856446 FROM BAYTEX ENERGY LTD.
STATEMENT OF CONCERN NO. 30283**

Dear Mr. Roberts:

You are receiving this letter because you filed a statement of concern about Application No. 1856446 (the application). 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:

- The application seeks approval for new subsurface well spacing for bitumen recovery. The approvals sought in the Application relate solely to subsurface reservoir development.
- No new lands will be taken up or disturbed as a result of the approval of the application. The addition of certain sections in Township 079, Ranges 19, 20 and 21 W5M refers to the location of the subsurface reservoir which Baytex is proposing to add to its existing primary recovery scheme.
- An AER approval of the Application for new well spacing has the potential to impact subsurface rights only. The approval would not authorize any activities that have the potential to impact the surface of the land, such as the drilling of wells or the construction of any related facilities. Those activities require additional applications and decisions by the AER before they can proceed. Any impacts from future applications would be assessed at the time those applications are considered, and notice of the applications would be published on the AER website with a deadline for parties to file a statement of concern with the AER. As a party with known concerns, you would receive direct notice from Baytex of such related applications.
- The objection raised in your statement of concern relates to impacts from surface activities (e.g., drilling of additional wells, bitumen production) that may or may not be applied for and conducted by

Baytex at a future date. You have not provided any information to indicate or explain how an approval of subsurface well spacing might impact you or affect you or your lands.

- Based on the foregoing, your concerns are not related to, or relate to matters outside the scope of the application, and you have not demonstrated that you may be directly and adversely impacted by the Application.

The AER has issued the applied-for approval, and this is your notice of that decision. A copy of Approval No. 10070J is enclosed. Under the *Responsible Energy Development Act* (REDA) 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 REDA and section 3.1 of the *Responsible 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 Clay Hopper at _____ or e-mail _____

Sincerely,

Name

Andrew MacPherson, Group Name

AM/ch

Cc: Ryan O'Connor