

BY E-MAIL ONLY

October 31, 2016

Ackroyd LLP

Barristers and Solicitors

1500 First Edmonton Place

10665 Jasper Avenue

Edmonton AB T5J 3S9

Attention: Richard C. Secord, LLM

E-mail: rsecord@ackroydlaw.com

APPLICATION No. 1863046

CANADIAN NATURAL RESOURCES LIMITED

STATEMENT OF CONCERN NO. 30402

Dear Mr. Secord:

You are receiving this letter because you filed a statement of concern about Application No. 1863046 on behalf of Kehewin First Nation. The Alberta Energy Regulator (AER) has reviewed your client's 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 is necessary to consider the concerns outlined in your statement of concern.

Application No. 1863046 was filed by Canadian Natural Resources Limited (CNRL) for an amendment to its licence for an existing multi-well bitumen battery at 05-18-059-05 W4M. The application requests approval to install and operate a second 99 HP (74 Kw) gas compressor, and to change the maximum licensed inlet rates to reflect the increased gas volumes at the facility. An existing 74Kw compressor currently operating at the facility was exempt from licensing requirements but is included in the amendment application.

In its review of your clients' concerns, the AER considered the following or decided as follows:

- The Kehewin First Nation's reserve boundary is located approximately 500 m west of the existing CNRL facility. The facility is located on privately owned (freehold) land that has been leased to CNRL.
- Your client's concerns about consultation are addressed by Directive 56 requirements. CNRL was not required to consult with your client on this application, and states that it provided project notification to your client on April 27, 2016. The AER is satisfied that CNRL has met Directive 56 participant involvement requirements in relation to your client.
- CNRL provided a Noise Impact Assessment (NIA) for the project, which the AER reviewed and accepted. The report concluded that predicted noise at residences approximately 1.1 kilometres from the facility will be at or below the maximum levels permitted under the AER's *Directive 038: Noise Control*. No residences on the reserve lands are identified as being located at or nearer to the CNRL facility. The AER has concluded that noise from the CNRL facility proposed in the amendment application will comply with the AER's noise control requirements. In addition, to address landowners' concerns with noise, CNRL committed to using the same mitigation measures on the proposed new compressor as it has implemented on the existing compressor. The AER is satisfied that CNRL has addressed concerns about noise, and no person has demonstrated that he or she may be directly and adversely affected by noise as a result of the proposed additional compressor.
- Concerns about road use are outside the AER's jurisdiction. The use of public roadways is matters within the authority of the local municipality. In response to concerns about traffic, CNRL stated that except for approximately two days during which crews would be installing the new compressor, there would not be any increased CNRL traffic to or from the site.
- Your clients' concerns about impacts on harvesting activities in its traditional lands do not appear to be related to the application. CNRL proposes to add a second compressor to an existing facility that currently has an operating compressor. That development does not entail any new disturbance or access that might affect your client's members conducting harvesting activities.

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

The AER has issued the applied-for licence amendment and this is your notice of that decision. A copy of the licence 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 Julia MacPhee at _____ or e-mail _____

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Sincerely,

<original signed by>

R. Borth

Director, Oil and Gas Authorizations

Enclosure (1): **(47253 Licence amendment)**

cc: Liana McMahon, Canadian Natural Resources Limited
AER Bonnyville Field Centre.