

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. 30399

Dear Mr. Secord:

You are receiving this letter because you filed a statement of concern about Application No. 1863046 on behalf of Shane Franklin, Charlene Lodoen, and Arlana Franklin. The Alberta Energy Regulator (AER) has reviewed your clients' 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.

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 concerns, the AER considered the following or decided as follows:

- Your clients Shane and Arlana Franklin own the lands where the existing CNRL facility is located, and have leased a portion of those lands to CNRL for the

existing facility at 05-18-059-05W4M. Shane Franklin and Charlene Lodoen also reside at a location in the east half of 18-059-05W4M, with the residence being approximately 1.1 km east of the existing CNRL facility.

- CNRL provided a Noise Impact Assessment (NIA) for the project, which the AER reviewed and accepted. The report concluded that predicted noise at your clients' residence will be at or below the maximum levels permitted under the AER's *Directive 038: Noise Control*. To address area 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 accepts that commitment, however, as part of its decision on the application it will also require CNRL to conduct a comprehensive sound survey at your clients' residence, during representative conditions when both compressors are operating, and submit the survey results to the AER for review to confirm that the facility complies with the noise directive. The reason for requiring the survey in this case is that the NIA predicts nighttime noise at that location will be 0.5dBA L_{eq} below the maximum permissible sound level. Having regard for the NIA, the commitment made by CNRL, and the requirement for a noise survey, the AER is satisfied that concerns about noise have been adequately addressed.
- As requested by your clients, their concerns about noise from the existing CNRL facility have been referred by AER staff to the AER's Bonnyville Field Centre for consideration as an operational matter.
- CNRL stated that it has constructed a larger berm and fence to stop headlights from vehicles at its site from shining on the residence. The AER accepts that is an appropriate measure to address your clients' concerns about nighttime headlights from the facility.
- Concerns about road use and dust are outside the AER's jurisdiction. The use of public roadways and dust control measures are 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.
- CNRL addressed landowners' concerns about flaring and emissions by stating that air emissions related to the operation of the facility will meet the requirements of *Alberta Ambient Air Quality Guidelines*, and that CNRL does not anticipate flaring. CNRL has obtained a licence for a pipeline to conserve solution gas at the site and the additional compressor is required to handle the increased volumes of gas.

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.