

E-MAIL ONLY

February 14, 2017

<p>Penn West Petroleum Ltd. Att: Jason Mevel Suite 200, 207-9th Ave SW Calgary, AB T2P 1K3 Email: Jason.Mevel@pennwest.com</p>	<p>DLA Piper (Canada) LLP Att: Brian Bidyk Suite 1000, Livingston Place West 250 2nd St. SW Calgary, AB T2P 0C1 Email: brian.bidyl@dlapiper.com</p>
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**Penn West Petroleum Ltd. to Cedar Creek Energy Ltd.
Transfer Applications No. 1866625, 1866626, 1866627, 1866628, 1866629,
1866630 & 1867110**

Dear Jason Mevel and Brian Bidyk:

You are receiving this letter because you filed Transfer Applications No. 1866625, 1866626, 1866627, 1866628, 1866629, 1866630 and 1867110. The Alberta Energy Regulator (AER) has reviewed the transfer applications, the applicable requirements, statements of concerns (SOC's), and other submissions or information about the applications. For the reasons that follow the AER refuses to consent to the transfers pursuant to section 24 of the *Oil and Gas Conservation Act* and is closing the applications.

The AER has had the benefit of receiving and reviewing the SOC's and the licensing information. In response to concerns raised by one of the SOC filers in relation to the wells having not produced for decades and previous spills and contaminations, the AER

finds that the responses provided were quite general. Further, despite the AER's request for specifics regarding the proposed transferee's plans for the assets located on the SOC filers lands and how it intends to address the end of life obligations associated with the properties it is seeking to have transferred, the AER finds that the responses provided were insufficient to satisfy it that the proposed transferee would be able to meet the related closure, abandonment, remediation and reclamation obligations associated with the sites.

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

It is open to the parties to resubmit a new transfer application with specifics on how the transferee would meet its obligations following the transfer, including specifics regarding the sites where contamination has been identified. Unless their concerns are resolved, as part of any future transfer application involving their lands, the parties must notify the statement of concern filers.

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>.

If you have any questions, contact Marnie Wildeman at 403-297-2426 or e-mail Marnie.Wildeman@aer.ca.

Sincerely,

Shaunna Cartwright
Director, Business Process & Insolvency

cc: Authorizations Branch Support, ARCTeam@aer.ca
AER Edmonton Field Centre, Edmonton.FieldCentre@aer.ca