

BY E-MAIL ONLY

December 18, 2017

Jodi McNeil
Oil Sands Environmental Coalition

**CANADIAN NATURAL RESOURCES LTD.
APPLICATION NO. 1869003
STATEMENT OF CONCERN NO. 30448**

Dear Jodi McNeil:

You are receiving this letter because you filed a statement of concern (SOC) on behalf of the Oil Sands Environmental Coalition (OSEC) concerning the subject application filed by Canadian Natural Resources Ltd. (Canadian Natural). The Alberta Energy Regulator (AER) is appreciative of OSEC's contributions during the review of the application, including your feedback on the draft approval conditions.

The Alberta Energy Regulator (AER) has reviewed your SOC and feedback, along with the application, the applicable requirements, and all relevant materials constituting the record of the application. The AER notes that after reviewing the draft approval conditions, OSEC provided detailed comments with outstanding concerns and key themes of those comments. The AER's decision report on the TMP application sets out the AER's views and findings on a number of issues, including many of the concerns you raised, such as the following:

- specificity of Ready-to-reclaim (RTR) criteria. The AER's decision on this is found in the Ready to Reclaim Criteria section of the decision, which includes milestones, measurement and other requirements to address the RTR criteria.
- AER response to non-compliances with the approval. The AER's views on enforcement are found in the Introduction and Fluid Tailings Profiles and Project-Specific Thresholds – Thresholds sections of the decision report.
- Canadian Natural's peak fluid tailings (FT) volume date of 2032, and the rate at which FT are treated. OSEC has stated that the FT trajectory does not anticipate aggressive volume reductions. The AER's decision is in the Fluid Tailings Profiles and Project Specific Thresholds, and the Ready to Reclaim Criteria - Measurement and Averaging sections.
- uncertainty associated with the use of non-segregated tailings (NST) technology, and CO₂ spiked NST technology. The AER's decision on these matters is found

in the Fluid Tailings Treatment Technology – Technology Selection, NST and MFT-Spiked NST Technology, and CO2 Injection sections of the decision report, which includes specific reporting requirements.

- uncertainties associated with the use of End Pit Lakes (EPLs) as the final treatment for storage of mature fluid tailings (MFT). The AER's decision is found in the Fluid Tailings Treatment Technology - Water Capping section, which prohibits Canadian Natural from placing any water, including industrial wastewater, above treated or untreated tailings for the purpose of creating an aquatic closure landscape.
- the effects of returning process affected water to the environment, including salinity impacts. The AER's decision is found in the Ready to Reclaim Criteria - Subobjective 2, Fluid Tailings Treatment Technology - Capping Material Availability, and the Environmental Effects and Implications - Surface Water and Groundwater sections, which include reporting requirements and prohibits the release of process affected water.
- ongoing engagement. The AER's decision on ongoing engagement is found in the Stakeholder Engagement section.

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In its SOC, OSEC also raised concerns or provided recommendations that are not part of the AER's decision on Canadian Natural's TMP application, and therefore are not reflected in the attached decision report. For matters related to policies and programs administered by the Government of Alberta, the AER intends to provide these concerns to the Government.

In particular, OSEC raised concerns with the impacts related to oil sands development in the area and, specifically, related to the approval and operation of the mine. Canadian Natural's TMP application does not change the footprint of the Horizon mine or create additional disturbance. The TMP application does not seek approval for new development activities that could create additional impacts on recreational land use.

OSEC also raised concerns with the 2011 Mine Financial Security Program and the previous Alberta Environmental Protection Security Fund to ensure sufficient funds are available to cover fluid tailings treatment and reclamation costs. These concerns regarding security deposits are outside the scope of the AER's decision on the TMP application.

Based on the foregoing, the AER is satisfied that the concerns outlined in OSEC's SOC have been addressed to the satisfaction of the AER.

The AER has decided that a hearing is not required. As indicated in the decision report, the AER has issued the applied-for approval. This is your notice of that decision. A copy of the approval and a copy of the AER decision report 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>.

If you have any questions, contact Lonny Olsen, phone 403-297-3513 or e-mail Lonny.Olsen@aer.ca.

Sincerely,

< *original signed by* >

Paul Ferensowicz
Senior Advisor, Operations

Enclosure (2): (TMP approval, AER Decision Report)

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cc: Michelle MacDonald, Canadian Natural Resources Ltd.
AER SOC Coordinator
AER Fort McMurray Field Centre