

BY E-MAIL ONLY

September 5, 2017

Lisa Kongsjorden

SURGE ENERGY INC.

APPLICATION NO. 1875382

STATEMENT OF CONCERN NO. 30543

Dear Lisa Kongsjorden:

You are receiving this letter because you filed a statement of concern about Application No. 1875382. 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. The AER has decided that a hearing is not required under an enactment, or necessary, to consider the concerns outlined in your statement of concern.

In its review of your concerns, the AER considered the following:

- Your lands are located about 80 meters west of the proposed well site, and the homestead on your lands is located about 1.1 km from the proposed wellsite. You do not reside on your lands.
- Although a portion of your lands falls within the Emergency Protection Zone (EPZ) during the drilling phase of the wells, the production from these wells is not expected to contain any H₂S. The EPZ during the completion and production phases of the wells will not impact your lands.
- In considering your concerns about setbacks from the wells restricting building and future development on your lands, the AER notes that the 100 meter setback will only affect the easterly 20 meters of your lands. Further, your lands are bordered by Range Road 90, and the County of Grande Prairie bylaws prohibit building within 30 meters of the road, thus the well setback will not affect building or development.

- Regarding your concerns about the possible effects of the wells on your quality of life in terms of dust, traffic and air pollution, the AER notes that Surge has located the proposed well site in close proximity to the multi-well oil battery and a gas processing plant located on your lands in order to minimize surface impacts.

Based on the above, the AER is satisfied that your concerns have been addressed, and the AER should not hold a hearing before making its decision on the application. The AER has issued the applied-for licences and this is your notice of that decision. Copies of the licences 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-notices/appeals>.

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

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

Sincerely,

<original signed by>

Rob Borth

Director, Oil & Gas Authorizations

Enclosure (2): **(licence)**

cc: Dan Karst, Surge Energy
AER SOC Coordinator
AER Grande Prairie Field Centre