

Via Email

December 19, 2017

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Steven & Claudia Charlton

Clinton Trotter & Michelle Naubert

McLennan Ross LLP
1000 First Canadian Center
350 – 7th Avenue SW
Calgary AB T2P 3N9**Attention: JoAnn P Jamieson**

Dear Mesdames and Sirs:

**Re: Proceeding ID 355
Canadian Natural Resources Limited
LSD 15-18-63-03W4M**

The Hearing panel has considered the written submissions of the parties regarding scope of issues, timing, and venue for the hearing of the above captioned matter, and has asked me to provide the parties with the following direction.

In-Scope and Out-of-Scope Issues

The panel has found that the following issues are within the authority of the AER and within the scope of matters that may be considered at the hearing:

- Potential effect of the proposed energy resource development and activities on the lands, and impacts to the current use and future development of the lands including:
 - potential impacts to plans to sub-divide the land, sell acreages, create a campground, or build a home,
 - potential impacts on ability to pasture horses on the lands, and
 - potential for effects to the heritage tree on the lands.

- Other potential effects of the proposed energy resource development and activities, including potential for health or safety impacts, due to
 - effects to water wells and/or the watershed,
 - increased noise, odours, and dust, and
 - increased traffic

The panel has determined that the following issues are not within the AER's authority and therefore outside the scope of the hearing:

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- All issues related to the interpretation and validity of the existing surface lease and its terms including
 - validity of entry fee form/payment/right of entry
 - conformance with five year lease review and renewal provisions
 - need for adjustments to lease payments and need for back payments
- Compensation for effects to potential future revenue or nuisance impacts
- Adequacy of provincial funding or laws to protect heritage trees

The validity of the surface lease terms, rates of compensation, and damages from nuisance or other impacts to existing or future development are matters more properly under the jurisdiction of superior courts in Alberta or the Surface Rights Board. The participants to the hearing are at liberty to pursue these remedies outside of the AER's hearing process.

Ms. Naubert and Mr. Trotter, as well as the Charltons, identified a desire to discuss the Area Structure Plan and other municipal planning documents. The panel is open to hearing about such matters to the extent they provide context for the planning related issues and potential impacts which are specific to each party. However, the panel cautions the parties that such information may have limited application and relevance to the panel's assessment of the potential impacts of the project on the parties, and the panel is not bound by municipal planning documents and decisions when it considers whether or not to approve an application for an energy project or activity. The panel may provide further direction to the parties after written submissions are received limiting the amount of time that the parties have to speak to such matters when presenting oral evidence or argument at the hearing.

Canadian Natural stated the "effects of energy resource activity generally" is not an issue that is within the scope of the hearing. However, in addition to the specific impacts on landowners, the panel is also required to consider broad issues of socioeconomic and environmental effects of a project. Therefore, certain general impacts of energy resource activities may not necessarily be out of scope. However, any evidence submitted at the hearing must still be tied to the project applied for and its effects.

The panel acknowledges and expresses appreciation for the parties' willingness to work together to reduce overlap or duplication in their submissions with respect to certain issues which are common to each party. To be clear though, both parties have the opportunity to submit and present any and all evidence that they feel is relevant and specific to their concerns or circumstances, subject to the direction provided above about which issues are in or out of scope for the hearing.

Location and Timing of the Hearing

All Parties appear to be in agreement that the hearing should be held in either the Town of Bonnyville or the City of Cold Lake. AER staff assisting the hearing panel will investigate the availability of appropriate hearing venues in both locations during the time period identified below.

Based on the dates provided by the parties and the availability of the panel, the hearing will be tentatively scheduled for **March 6 and 7, 2018**; however, the panel requests that the parties block off the entire week in the event of a change to these days. Based on the hearing date, a tentative schedule for written submissions would be as follows:

- CNRL's written submission: January 26th, 2018;
- Naubert/Trotter/Charlton's response submissions: February 16th, 2018;
- CNRL's reply submission: February 23rd, 2018;

Once the hearing venue is booked, the panel will confirm the date, location and venue for the hearing, as well as the deadlines for filing written submissions. A formal Notice of Scheduling of Hearing will also be sent to the parties and posted on the AER's website.

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Yours truly,

<original signed by>

Sean C. Sexton
Legal Counsel
Alberta Energy Regulator

Cc: Elaine Arruda - AER