

BY EMAIL ONLY

November 9, 2018

Keith Wilson
Wilson Law Office

**OBSIDIAN ENERGY LTD. (OBSIDIAN) TO CEDAR CREEK ENERGY LTD.
(CEDAR CREEK)**

LICENCE TRANSFER APPLICATION NO. 1880489

STATEMENT OF CONCERN NO. 30630

Dear Mr. Wilson:

You are receiving this letter because you filed a statement of concern (SOC) on behalf of TAG Developments Ltd. (TAG), about Application No. 1880489 (Application). 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:

- The Application involves the transfer of 3 facility licences (F23470, F12256, F23411), also known as the Acheson Sour Gas Plant (Gas Plant), from Obsidian Energy Ltd. To Cedar Creek Energy Ltd. located on the W ½ 2-53-26W4M.
- The transfer does not include licences for facilities situated on lands owned by TAG or in which TAG has an ownership interest.
- The transfer will not result in operational or physical amendments or changes to the Gas Plant and no new impacts will arise with the transfer of the Gas Plant.
- The concerns relating to the Acid Gas Disposal Well and Disposal Pipeline located on TAG lands at 12-11-53-25W4M are beyond the scope of the current Application and would be subject to due process and a review by AER should a transfer application for these licences be received in the future. Further, there are no

regulatory requirements that the licensee of the Gas Plant be the same licensee as the Acid Gas Disposal Well and associated pipeline.

- The licensee of the Gas Plant is expected to be compliant with the requirements of *Directive 071: Emergency Preparedness and Response Requirements for the Petroleum Industry (Directive 071)*. The transfer of the Gas Plant from one licensee to another does not impact the existing Emergency Planning Zone (EPZ) already established. Further, the transfer of the Gas Plant will not change the EPZ or any associated setbacks.
- The AER holds security in excess of the liabilities associated with this transfer.

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

Based on the above, you have not demonstrated that you may be directly and adversely affected by approval of the application or that the AER should hold a hearing before making its decision on the application. The AER has issued the applied-for licence transfer and this is your notice of that decision. A copy of the approval 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, Regulatory Appeal Process.

If you have any questions, contact Bonni Pierce at 403-297-4206 or e-mail bonni.pierce@aer.ca.

Sincerely,

<Original signed by>

Trevor Gosselin
Director, Asset & Liability Transition Management

Enclosure (1): **(Approval Transfer)**

cc: Deanna Barrell, Obsidian Energy Ltd.
Derek Warren, Obsidian Energy Ltd.
Daron Naffin, Bennett Jones LLP
Greg MacDonald, Cedar Creek Energy Ltd.
Marnie Wildeman, AER Application Processor
AER SOC Coordinator
AER Edmonton Field Centre