

BY E-MAIL ONLY

October 18, 2017

Rob Fox and Louise Fox

CANADIAN NATURAL RESOURCES LIMITED

APPLICATION NO. 1882431

STATEMENT OF CONCERN NO. 30642

Dear Rob Fox and Louise Fox:

You are receiving this letter because you filed a statement of concern about Application No. 1882431. 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 is to amend the drilling spacing requirements for Primary Recovery Scheme Approval No. 93870.
- Well spacing defines the number of subsurface locations or primary production wells necessary to recover heavy oil from a specified formation/deposit. A primary production well means a well drilled, being drilled or operated to produce crude bitumen that will flow to a well. Crude bitumen means a naturally occurring viscous mixture that in its naturally occurring viscous state will not flow to a well.
- Primary recovery scheme approvals for heavy oil in the oil sands areas typically require higher well spacing due to the viscous nature of the heavy oil along with the fact that some wells are better producers while others perform poorly. In this case, the thickness and heterogeneity of the reservoir support the applied-for spacing since production performance characteristics from individual wells is expected to vary significantly as it is dependent on reservoir characteristics.

- Your concerns relate to drilling of wells and conduct of operations, including environmental impacts, emissions, trucking, and wellbore design; however, approval of the special well spacing does not authorize the drilling of any wells nor the conduct of operations. The application is to change subsurface restrictions and does not authorize activity.
- Regarding your concerns about notice, the applicant has advised that it notified surface owners within the application area and the offsetting quarter sections based on the certificate of title addresses from Land Titles, and the AER is satisfied that the notification was adequate.
- Pursuant to section 2.2.1(4) of *Directive 056: Energy Development Applications and Schedules*, as a result of your statement of concern, CNRL is aware of your surface concerns and is required to include you in its participant involvement program for any surface application it plans to file in the area with the AER.

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

Based on the above, the information you have provided does not demonstrate to the AER 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 amendment 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, <http://www.aer.ca/applications-and-notices/appeals>.

If you have any questions, contact Valeria Silva at 403-592-4157 or e-mail Valeria.Silva@aer.ca.

Sincerely,

<Original signed by>

Shay Dodds
Acting Director, In Situ Authorizations

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

cc: Conrad Bereznicki, Canadian Natural Resources Limited
AER Statement of Concern Coordinator
AER Bonnyville Field Centre