

February 25, 2019

By email only

Calgary Head Office  
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Calgary, Alberta T2P 0R4  
Canada

[www.aer.ca](http://www.aer.ca)

Nickerson Roberts Holinski & Mercer  
Attention: Terry Roberts

**Re: Proceeding ID 374  
Participation Decision**

Dear Mr. Roberts,

I am writing to you on behalf of the Alberta Energy Regulator (AER) panel of hearing commissioners (the panel) assigned to this proceeding.

On January 25, 2019, the AER issued a notice of hearing for nine well applications, nine pipeline applications, and nine facility applications submitted by High Ground Energy Inc. (HGEI). The notice of hearing identified the applications as follows:

**North Gathering System**

Well Applications: 1895930 (lead), 1895932, 1895933, 1895934.

Facility Applications: 1907484, 1907485, 1907486, 1907489.

Pipeline Applications: 171096, 171130, 171156, 171163.

**South Gathering System**

Well Applications: 1908325 (lead), 1908326, 1908329, 1908331, 1908336.

Facility Applications: 1908497, 1908498, 1908499, 1908500, 1908501.

Pipeline Applications: 332370, 332393, 332416, 332432, 332731.

The notice of hearing explained how to file a request to participate in the hearing and set a filing deadline of February 11, 2019.

The AER received Rutledge Ranching (Wainwright) Ltd.'s (Rutledge) request to participate on February 8, 2019. In the request, Rutledge indicated that it is the occupant as a grazing lease holder of the Crown lands on which HGEI is proposing to drill the applied-for wells and construct the applied-for facilities and pipelines. Rutledge expressed concerns that its cattle ranch will be adversely affected by the AER's decision on these applications.

On February 13, 2019, HGEI withdrew the South Gathering System applications and filed a response on February 19, 2019, to the Rutledge's request to participate. HGEI

stated that it takes no position with respect to the request. HGEI also submitted that the AER, in its letter dated November 6, 2018, noted that it believed that Rutledge's concerns with regard to the applications have been adequately addressed.

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emergency 1-800-222-6514

Section 34(3) of the *Responsible Energy Development Act* states that: "a person who may be directly and adversely affected by the application is entitled to be heard at the hearing." In addition, the *Alberta Energy Regulator Rules of Practice* (the *Rules*) give the panel discretion to grant participation status to persons whose participation will materially assist the panel in deciding the matter that is the subject of the hearing, who have a tangible interest in the matter and whose participation will not materially delay the proceedings or repeat or duplicate evidence.

### **Panel Decision**

As a result of the withdrawal of the South Gathering System applications by HGEI on February 13, 2019, the panel will continue with the assessment of the North Gathering System applications only.

The panel has considered the written submissions and, for the reasons below, has decided to permit Rutledge to participate in the hearing of the remaining applications. The panel finds that Rutledge may be directly and adversely affected by the project taking into account its interest in and use of the lands. The panel also finds that Rutledge has a tangible interest in the matters given the location of the proposed wells and facilities. Subject to further directions or rulings issued by the panel, Rutledge is permitted to participate in the hearing as a full participant but only with regard to the following issues:

- potential for damage to water wells;
- potential for harm to cattle, including from road dust;
- potential damage to access roads; and
- potential for introduction and impact of noxious weeds.

With regard to the comments made by the AER in its letter dated November 6, 2018, which were raised in HGEI's response, the panel notes that those comments were made in relation to the determination of whether or not to hold a hearing under section 7 of the *Rules* in accordance with the criteria specified therein. Since the AER has decided to hold a hearing, the panel is making a participation determination under section 9 of the *Rules* and the criteria provided in that section. Consequently, the panel considers the comments made in the November 6 letter as not relevant to the participation determination. The panel encourages Rutledge and HGEI to continue discussions that may lead to narrowing the issues in this hearing.

### Next Steps

The panel hereby sets out the following schedule for written submissions.

- HGEI submission – **due by 4pm on March 25, 2019**
- Rutledge submission – **due by 4pm on April 8, 2019**
- HGEI reply submission, if necessary – **due by 4pm on April 23, 2019**

**The hearing dates will be finalized at a later date when a hearing venue is confirmed.**

I have enclosed a fact sheet regarding hearings and privacy.

If you have any questions contact me at 403-297-3232 or at [hearing.services@aer.ca](mailto:hearing.services@ aer.ca) .

Sincerely,

Tammy Turner

Hearing Coordinator

enc: Fact Sheet – Hearings and Privacy

cc: D. Naffin, Bennett Jones LLP  
T. Myers, Bennett Jones LLP  
B. Kapel Holden, AER  
K. Dumanovski, AER