

BY E-MAIL ONLY

January 31, 2018

Vic and Tracy Kolody
Matheson Farms Ltd.

DEVON CANADA CORPORATION

APPLICATION NO. 1899443

STATEMENT OF CONCERN NO. 30877

Dear Vic and Tracy Kolody:

You are receiving this letter because you filed a statement of concern about Application No. 1899443. 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. 7936U.
- 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. In this case, drainage of the crude oil sands in this area is quite limited and reduced

spacing is required to adequately recover reserves. Tighter spacing is necessary to improve drainage and allow for optimized recovery.

- Your concerns relate to drilling of wells and conduct of operations, including environmental impacts, odours and emissions, increased traffic, impacts to water, and noise; 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 surface activity.
- Pursuant to Section 2.2.1 (4) of *Directive 056: Energy Development Applications and Schedules*, as a result of the statement of concern, Devon 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, 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 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>

Hélène de Beer
Director, In Situ Authorizations

Enclosure (1): **Approval**

cc: Javier Bacaria, Devon Canada Corporation
Vince Boden, Devon Canada Corporation
AER Statement of Concern Coordinator
AER Bonnyville Field Centre