

BY E-MAIL ONLY

March 26, 2018

Harvey Aarbo
Sunrise Holdings (2002) Inc.

OSUM PRODUCTION CORP.

APPLICATION NO. 1900005

STATEMENT OF CONCERN NO. 30912

Dear Harvey Aarbo:

You are receiving this letter because you filed a statement of concern about Application No. 1900005. 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 proposed observation well will be located on an existing lease site utilizing an existing access road in order to minimize surface disturbance. No additional lands are required to accommodate the proposed well. Observation wells have minimal environmental and operational impacts.
- Regarding your concerns about proximity of the well to Hilda Lake, the proposed well will comply with applicable AER setbacks, which are specifically designed to protect lakes and other water bodies from industrial activities. There is nothing in the application documents or your statement of concern to demonstrate that a greater setback is required in respect of the proposed well.
- The site will be accessed under winter conditions which will minimize impacts to the lease and access road. Risk of transfer or spread of weed seeds is minimal during winter conditions.

- The proposed observation well is similar to other observation wells within the area of your Grazing Rights Permit 790016 (GRP). Your GRP provides the exclusive right to graze livestock in the area of the permit. It does not restrict or prohibit other disposition holders from carrying out other duly authorized activities in the same area, and there is signed consent of occupant from Sunrise Holdings (2002) Inc. for the lands to be used for the purposes contemplated in the application.
- Regarding your concerns with cattle at the well site, Osum Production Corp. (Osum) has committed to fencing around the well head and has seeded the lease area with a certified Public Lands seed mix suitable as a primary forage source for cattle.
- Osum is required to reclaim the well site and lease road in accordance with all applicable AER requirements.

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

Based on the above, your concerns have been addressed to the satisfaction of the AER, and 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 and this is your notice of that decision. A copy of the licence 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-notice/appeals>.

If you have any questions, contact Kimberley Andrade at 780-642-9169 or e-mail kimberley.andrade@er.ca.

Sincerely,

<Original signed by>

Shay Dodds
Acting Director, Authorizations InSitu

Enclosure (1): **(Licence)**

cc: Ming Zhou, Osum Production Corp.
AER SOC Coordinator
AER Bonnyville Field Centre