

BY E-MAIL ONLY

July 19, 2018

Keyera Energy Ltd.

Re: Nuvista Energy Ltd.
Application No. 1903759
Statement of Concern No. 30976

Dear Sir/Madam:

You are receiving this letter because you filed a statement of concern regarding application no. 1903759. The Alberta Energy Regulator (AER) has reviewed the 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 your concerns outlined in the statement of concern.

In its review of your concerns, the AER considered the following:

- Keyera's AGI disposal well is 9 km away from Nuvista's proposed AGI disposal well. This distance is significantly greater than the estimated disposal fluid Area of Influence (AOI) by approximately 5 times.
- The best approach to address over pressurization concerns is via an inclusion of a pressure-testing requirement for the proposed scheme approval well which must be conducted every two years from the commencement of disposal operations by means of a stabilized shut-in bottomhole pressure test in accordance with *Directive 040: Pressure and Deliverability Testing Oil and Gas Wells*.
- A condition has been added to the licence requiring the stabilized shut-in bottomhole pressure test.
- The stabilized reservoir pressure at the location of the disposal well must not exceed the 44, 520 kilopascal gauge (kPag). This is based upon the initial pressure.
- This application meets Directive 051 requirements.

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 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*.

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

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/regulating-development/project-application/decisions>.

If you have any questions, contact Brittney Goudreau at 780-641-9038 or e-mail Brittney.goudreau@aer.ca.

Sincerely,

<Original Signed by>

Rob Borth

Director, Oil and Gas Authorizations

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

cc: Hung Huynh, Nuvista Energy Ltd.
AER SOC Coordinator
AER Grande Prairie Field Centre