

BY E-MAIL ONLY

November 1, 2018

Kim & Sylvia Barbero

**SHELL CANADA LIMITED (SHELL)
WELL LICENCE APPLICATION NO. 1906751
LOCATION 06-17-06-02W5M
STATEMENT OF CONCERN NO. 31063**

Dear Kim and Sylvia Barbero:

You are receiving this letter because you filed a statement of concern (SOC) about Application No. 1906751. The Alberta Energy Regulator (AER) has reviewed your SOC, along with the application and Shell's response to your SOC.

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

- You do not own the land on which the project is proposed. Shell has obtained a non-objection from the landowner.
- Your concerns specific to Shell's proposed pipeline licence application (No. 159466) regarding traffic code of conduct, interaction and planning and pigging and batching are addressed by way of a separate AER letter.
- With respect to your concerns about flaring at the wellsite Shell notes that there will be no continuous flaring associated with this CR 74 well project. Shell has confirmed that temporary flaring will only occur during drilling and completion operations which are standard operational procedures recognized by the AER. During operations. Shell indicates that the proposed well will be tied into the existing infrastructure at the 6-17 wellsite. Where temporary flaring maybe required, Shell must adhere to AER the requirements set out in AER *Directive 60: Upstream Petroleum Industry Flaring, Incineration and Venting*. This will include notifying local residents within the area.
- You have raised concerns related to well location and odours. The AER notes that Shell has chosen an existing lease to drill the proposed well, which minimizes surface disturbance and footprint. Shell has an established process in

place to address odour complaints. As noted below, Shell has existing infrastructure in place to conduct air monitoring to ensure air quality.

- You have raised concerns regarding odours and air monitoring. Shell states that it has a continuous air monitoring trailer (Screwdriver Creek Valley) that is run 24 hours a day and provides real time data. Shell has committed to using mobile rovers to measure air quality in the valley. Likewise, perimeter H₂S monitoring has been installed at the 6-17 wellsite, which includes the well head and associated equipment. If this is agreeable with you, the AER will direct Shell to install a mobile air monitoring unit at your residence during well drilling operations to monitor air quality.

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

You are invited to contact your local AER Midnapore Field Centre at 403-297-8303 or via email at Midnapore.FieldCentre@aer.ca with any outstanding concerns related to the existing oil and gas infrastructure.

The AER is satisfied that your concerns have been addressed. As a consequence of its review, the AER has decided that it does not need to hold a hearing to further consider your concerns before the AER makes 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.

All AER-regulated parties must comply not only with the conditions of their authorizations, but with all of the AER's regulatory requirements. To ensure industry compliance the AER has developed its *Integrated Compliance Assurance Framework*, which embodies the three main components of all effective compliance assurance programs, those being education, prevention, and enforcement. You can find out more about how the AER verifies industry compliance and responds to noncompliance here: <https://aer.ca/regulating-development/compliance/compliance-assurance-program>.

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, <https://www.aer.ca/regulating-development/project-application/regulatory-appeal-process>

If you have any questions, contact Julia MacPhee at 403-297-6873 or e-mail Julia.MacPhee@aer.ca

Sincerely,

<original signed>

Paul Ferensowicz
Senior Advisor, Industry Operations

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

cc: Molly Minuk, Shell Canada Limited, Molly.Minuk@shell.com
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