

BY E-MAIL ONLY

June 8, 2018

Ross Almberg

**RIFLE SHOT OIL CORP.
APPLICATION NO. 1907811
STATEMENTS OF CONCERN NO. 31078**

Dear Ross Almberg:

You are receiving this letter because you filed a statement of concern for the above Application. The Alberta Energy Regulator (AER) has reviewed your statement of concern and its further correspondence, along with the Application, the applicable requirements, and other submissions or information about the Application and has decided that a hearing is not required under an enactment or otherwise necessary to consider the Application.

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

- Rifle Shot Oil Corp. (Rifle Shot) has applied for an amendment to its facility licence to add an injection pump to increase fluid handling capabilities at the facility. No new lands will be taken up and no new wells will be drilled as a result of the application.
- The existing facility is not located on your lands, is about 1.33 kilometers from your residence, and approximately 0.37km from the boundary of your property.
- The abandonment of the existing facility and the associated wells, in addition to the reclamation of lands associated with the wells and facility will be the responsibility of the Rifle Shot and/or its successors.
- Rifle Shot meets all AER Directive 067 eligibility requirements for acquiring and holding energy licences and approvals. The concerns you have raised about the prospect of future operator bankruptcy and the orphaning of wells and facilities are speculative in nature and outside the scope of the current application.
- Your concerns regarding the injection pressures and groundwater protection, relate to and are addressed by the conditions within the associated approved Scheme Approval No. 12495F, and are outside the scope of the current application. The scheme approval

contains maximum wellhead injection and maximum reservoir pressure limits. These limits were set by the AER as part of a thorough review of previous applications for disposal and scheme approval, and disposal into the approved pools must be suspended if the surveyed average pressure in these pools exceeds these limits. Injection into the approved pools occurs at 500m below the base of groundwater protection, and meets all AER requirements, a number of which specifically address the protection of groundwater sources.

- Indemnification by Rifle Shot for your losses, expenses and damages to your aquifer or operations is a matter which relates to compensation and is outside of the jurisdiction of the AER.
- Rifle Shot stated in its response dated May 4, 2018 that it tested your water well on September 7, 2017 as a baseline and have committed to respond to any future concerns you may have with your water well.

Based on the above considerations, you have not demonstrated that you may be directly and adversely affected by the application, and the AER has decided to issue the applied-for licence; 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 [here](#).

If you have any questions, contact Megan Carfantan by email at Megan.Carfantan@aer.ca.

Sincerely,

<Originally signed by>

Rob Borth
Director, Oil & Gas, Authorizations

Attachment: Licence (1)

cc: Bryce Rollefstad, Rifle Shot Oil Corp.
Taylor Cook, Cornerstone Engineering Ltd.
Wainwright Field Centre
ADR Mailbox, AER
SOC Mailbox, AER