

BY E-MAIL ONLY

September 4, 2018

Roy Dell

**Town of Fox Creek****CHEVRON CANADA LIMITED  
APPLICATION NO. 1908517  
STATEMENT OF CONCERN NO. 31135**

Dear Mr. Dell:

You are receiving this letter because you filed a statement of concern about Application No. 1908517 on behalf of the Town of Fox Creek. 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 project is located approximately 1.63 km away from the boundaries of the Town of Fox Creek.
- Chevron conducted 3D seismic subsurface imaging to identify faults and concluded that no fault lines near the planned well locations were identified. Therefore, the location of the well pad south of Fox Creek was chosen, in part, because of its distance from known fault lines.
- Chevron committed to continuous seismic monitoring during hydraulic fracturing operations and implementing mitigation at more conservative levels than those set by the AER in the *Bulletin 2015-07: Subsurface Order No. 2: Monitoring and Reporting of Seismicity in the Vicinity of Hydraulic Fracturing Operations in the Duvernay Zone, Fox Creek, Alberta*.

- In addition, Chevron is taking a phased approach to its drilling development by drilling the first two wells, rather than six, to demonstrate that it will conduct drilling and fracturing operations in a safe manner.
- Chevron's seismic monitoring program has addressed the concerns raised in respect of seismicity to the satisfaction of the AER.

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

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-notices/appeals>.

If you have any questions, contact Julia MacPhee at [Julia.MacPhee@aer.ca](mailto:Julia.MacPhee@aer.ca)

Sincerely,

<original signed by>

R.Borth  
Director, Authorizations Oil and Gas

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

cc: Torgyn Eriksen, Chevron Canada Limited  
Jennifer Rota, AER Application Coordinator  
AER Edmonton Field Centre