

September 25, 2020

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By Email Only

Scott Johnson
Ovintiv Canada ULC c/o Ovintiv Services Inc. (Ovintiv)**Statement of Concern No. 31749**
Canadian Natural Resources Limited (CNRL)
Application No. 1928595

Dear Sir:

You are receiving this letter because you filed a statement of concern (SOC) on behalf of Ovintiv in regards to Application No. 1928595. The Alberta Energy Regulator (AER) has reviewed your SOC, along with the application, and all applicable requirements and other submissions or information about the application. The AER has decided that a hearing is not required to consider the concerns outlined in your SOC.

In our review of your concerns, we considered the following:

- CNRL's application is for a provisional pre-drill *Directive 065: Resources Application for Oil and Gas Reservoirs* (Directive 065) approval, which provides operators with information on the conditions of their approval before an investment is made in drilling the disposal well and constructing associated surface facilities (Bulletin 2018-22).
- The provisional approval is contingent on approval of the *Directive 056: Energy Development Applications and Schedules* well application currently before the AER. Directive 065, Section 4.1 states that the disposal scheme approval holder must be the licensee of all the wells on the approval.
- In the event the AER were to approve this pre-drill application, CNRL would be required to submit additional applications under *Directive 051: Injection and Disposal Wells – Well*

Classifications, Completions, Logging, and Testing (Directive 051) and Directive 065 to inject into the well for disposal purposes.

- The concerns raised by Ovintiv are about future injection and disposal activities, which are beyond the scope of the current application. Ovintiv will have the opportunity to raise its concerns, if and when CNRL files *Directive 51* and *Directive 65* applications for injection for disposal into the proposed well.

The AER has not yet made a decision on this application and you will be notified when that decision is made. If a hearing on the application is to be held for another reason, a notice of hearing will be published.

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>.

If you have any questions please contact SOC@aer.ca.

Sincerely,

<Original Signed By>

Steve Thomas
Director, Oil & Gas Subsurface, Waste & Storage
Regulatory Applications
BG/ka

cc: Lars Olthafer, Blake, Cassels & Graydon LLP
Ryan Hill, Canadian Natural Resources Limited
Faisal Khan, AER
Kimberley Andrade, AER
SOC Inbox, AER
ADR Inbox, AER
Grand Prairie Field Centre, AER