

Via Email

October 2, 2018

R.A. (Bob) Brown

Calgary Head Office
Suite 1000, 250 – 5 Street SW
Calgary, Alberta T2P 0R4
Canadawww.aer.ca

Dear Sir:

**RE: Request for Regulatory Appeal by R.A (Bob) Brown
Whitecap Resources Inc. (Whitecap)
Application No.: 1909328; Licence No.: 0489138
Location: 04-23-038-07 W5M
Request for Regulatory Appeal No.: 1910446**

The Alberta Energy Regulator (AER) has considered your request under section 38 of the *Responsible Energy Development Act (REDA)* for a regulatory appeal of the AER's decision to approve the Licence. The AER has reviewed your submissions and the submissions made by Whitecap.

For the reasons that follow, the AER has decided that you are not eligible to request a regulatory appeal in this matter. Therefore, the request for a Regulatory Appeal is dismissed.

The applicable provision of REDA in regard to regulatory appeals, section 38, states:

38(1) An eligible person may request a regulatory appeal of an appealable decision by filing a request for regulatory appeal with the Regulator in accordance with the rules. [emphasis added]

The term "eligible person" is defined in section 36(b)(ii) of REDA to include:

a person who is directly and adversely affected by a decision [made under an energy resource enactment]...

Reasons for Decision

In your regulatory appeal request you have stated concerns about potential impacts to you or your lands due to well location, flaring, noise, and traffic.

You have raised concerns about where the well site would be located and after having discussions with Whitecap you determined not to file a statement of concern prior to the AER's approval of the well Licence. The AER accepts this as an explanation for not having filed a statement of concern prior to the AER's approval of the well Licence. In regards to location of the well site, the AER notes that Whitecap must comply with *Directive 056: Energy Development Applications and Schedules* which indicates the requirements for setbacks and notification.

Regarding your concerns about flaring, the AER confirms that *Directive 060: Upstream Petroleum Industry Flaring, Incinerating, and Venting* states the requirements with respect to flaring that must be complied with. Whitecap confirms it will meet AER requirements and that no flaring is expected during normal drilling operations unless the well is drill stem tested. Upon completing the well, flaring will be required at intermittent stages and required parties will be notified as per AER regulations.

With respect to your concerns about noise, the AER confirms that *Directive 038* states the requirements for noise control as they apply to all operations and facilities under the jurisdiction of the AER. The directive also provides background information and describes an approach to deal with noise problems. *Directive 038* attempts to take a balanced viewpoint considering the interests of both the nearby residents and the licensee. It does not guarantee that a resident will not hear noise. The directive sets permissible sound levels for outdoor noise. The AER confirms that Whitecap is required to comply with *Directive 038*.

Regarding your concerns about the use of backup beepers and truck traffic, the AER confirms that it does not have jurisdiction over the types of warning signals required on equipment or local county roads.

Future operational activities by Whitecap must comply with all AER regulatory requirements. If you have any further concerns that are operational in nature you may contact the Red Deer Field Centre at 403 340 5454 or for emergencies call the 24 Hour Response Line at 1-800-222-6514.

Conclusion

Given the foregoing, the AER finds that you are not directly and adversely affected by the decision to issue the well Licence. You are therefore not an “eligible person” under section 36(b)(ii) of the *REDA*. Accordingly, the AER dismisses your request for regulatory appeal.

Sincerely,

<original signed by>

Kevin Parks,
Chief Geologist

<original signed by>

Scott Fallows,
Senior Advisor, Authorizations

<original signed by>

R. G. Keeler, P.Eng, P.Geol.
Senior Advisor, Authorizations

Cc: Scott Genoway, Whitecap Resources Inc.