

BY E-MAIL ONLY

December 19, 2018

John Brian and Verna J. Phippen**BAYTEX ENERGY LTD.
APPLICATION NO. 1915821
STATEMENT OF CONCERN NO. 31385**

Dear Mr. & Mrs. Phippen,

You are receiving this letter because you filed a statement of concern in response to Baytex Energy Ltd. (Baytex) Application No. 1915821. The Alberta Energy Regulator (AER) has reviewed your submissions, along with the company's 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 submissions.

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

- You do not own the lands on which the proposed project will be located.
- Baytex has secured confirmation of non-objection and acquired a surface lease agreement with the landowner of the proposed pad-site location.
- Your residence is located approximately 1.8 km from the proposed pad-site which will be located at 10-25-046-02W5M.
- Your lands do not fall within the 100 meter prescribed Emergency Planning Zone of the proposed multi-well pad.
- Your concerns regarding the pad-site at 02-27-046-02W5M are beyond the scope of the current application. Further, oil and gas related operational emergencies involving entities regulated by the AER should be directed to the Energy and Environment 24-hour response line at 1-800-222-6514.
- Flaring operations for this project will be temporary in nature, and will adhere to all regulations set forth in AER *Directive 060: Upstream Petroleum Industry Flaring, Incinerating, and Venting* and the requirements set forth in the Alberta Ambient Air Quality Guidelines for emissions.

- Baytex is required to meet all Environmental and Regulatory Guidelines and Requirements.
- All of your concerns are general in nature with no site specific details provided or unrelated to this application.
- You have not demonstrated how you may be directly and adversely affected by this application.

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

Based on the above, the AER has concluded that it is not necessary to hold a hearing before making a 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>.

You may file a regulatory appeal on the AER's decision to issue the licence if you meet the criteria within section 36 of the *Responsible Energy Development Act*. Filing instructions and forms are on our website under Regulatory Appeal Process.

Yours truly,

Alberta Energy Regulator