

BY EMAIL ONLY

January 15, 2019

Karen Madro
AB 1464775

BONAVISTA ENERGY CORPORATION

APPLICATION NO. 1916397

STATEMENT OF CONCERN NO. 31366

Dear Karen Madro:

You are receiving this letter because you filed a statement of concern about Application No. 1916397. The Alberta Energy Regulator (AER) has reviewed your statement of concern, 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 statement of concern.

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

- You expressed a concern, or made the statement that Bonavista Energy Corporation (Bonavista) has not drilled the final horizontal well at 00/16-02-044-28W4/0. To provide clarification we can advise you that according to AER records, the well you refer to was drilled on September 6, 2018.
- You expressed a concern with respect to the increase in well density creating an unfair advantage. However, the well density that Bonavista has applied for is permitted under *Directive 065: Resources Applications for Oil and Gas Reservoirs*, Section 7.3.2. Your concern appears to be related to *Directive 065* itself, rather than this specific application. Concerns with what is and is not permitted pursuant to regulatory requirements relate to general policy and are outside the scope of review of this application.

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 approval and this is your notice of that decision. A copy of the approval 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>.

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

You may file a regulatory appeal on the AER's decision to issue the approval 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.

If you have any questions, contact Yvonne Chow by e-mail at Yvonne.Chow@aer.ca.

Sincerely,

<Original signed by>

Paul Ferensowicz
Senior Advisor, Industry Operations

Attached: Approval (1)

cc: Amro Shmoury, Bonavista Energy Corporation
AER SOC Assessor
AER Red Deer Field Centre