

BY EMAIL ONLY

June 20, 2019

Ron Slenders

**NEP CANADA ULC (NEP)
APPLICATIONS NO. 1917540, 1918796
STATEMENT OF CONCERN NO. 31412**

Dear Ron Slenders:

You are receiving this letter because you filed a statement of concern about Applications No. 1917540 and 1918796. The Alberta Energy Regulator (AER) decided to initiate dispute resolution between yourself and the applicant, to provide an opportunity for the decision maker to better understand your concerns and a forum to explore possible solutions, with an AER statutory decision maker (SDM) present. We appreciate your participation in this process. During the sessions, AER staff informed you as to what matters are within the AER's jurisdiction and what matters are outside of AER decision-making authority.

The SDM has reviewed your statement of concern, along with the company's application, and all applicable requirements and other submissions or information about the application(s), including information presented at the dispute resolution sessions. The SDM has decided that a hearing is not required to consider the concerns outlined in your statement of concern. The SDM notes that the SOC for this application was not withdrawn.

In making this decision, the following was considered:

- NEP applied for a two year licence to drill three (3) horizontal sour wells from an existing lease and to construct a multiwell facility. The applications are technically complete.
- Your driveway is the only means of egress and it falls within the Emergency Planning Zone (EPZ) for these applications. However, your lands are already included in NEP's EPZ for the existing associated pipeline, and the approved Emergency Response Plan includes you for emergency planning and response.
- Your concerns regarding traffic, dust and a potential decrease in property value resulting from the project are outside of the AER's jurisdiction. Traffic and dust are within the County of Leduc's jurisdiction.
- With respect to flaring concerns, NEP must comply with the requirements of *Directive 060: Upstream Petroleum Industry Flaring, Incinerating, and Venting*.
- While the applicant must comply with the requirements of *Directive 038: Noise Control*, your concerns about associated noise, will be addressed through a condition placed on the AER approval.

SDM on this file has conditioned the approval as it related to noise mitigations and has, in the absence non-objection to alternative mitigation measures, directed NEP to install additional noise mitigation measures during completion and fracking operations.

This is your notice of that decision. A copy of the licences are attached which all include the subject condition.

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>.

During the dispute resolution meeting, NEP also made a number of commitments to you. As noted at the dispute resolution meeting, the AER has no jurisdiction to enforce these commitments, however, it strongly encourages NEP to honour the commitments made. A copy of these commitments will be provided to both parties as a courtesy by separate letter along with a copy of the process agreement, and completion record for the dispute resolution you participated in.

NEP has plans for continued development in the area and a proactive dialogue between the company and landowners is encouraged. This includes working together to resolve disagreements and honouring commitments made in good faith.

You may file a regulatory appeal on the AER's decision to issue the licences 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 Nicole Nicholas at 403-297-4886 or Nicole.nicholas@aer.ca.

Sincerely,

<*Originally Signed By*>

Paul Ferensowicz

Senior Advisor, Strategic Delivery, Operations

Enclosure (4): **Licences**

cc: Wade Evans, NEP Canada ULC
AER SOC Assessor
AER Edmonton (St. Albert) Field Centre