

BY EMAIL ONLY

May 2, 2019

MIKE AND FAYE PARTSCH

**TIDEWATER MIDSTREAM AND INFRASTRUCTURE LTD
APPLICATIONS NO. 1918651 and 1918652
STATEMENT OF CONCERN NO. 31427**

You are receiving this letter because you filed a statement of concern about Applications No. **1918651 and 1918652**. The Alberta Energy Regulator (AER) has reviewed your statement of concern, along with the company's applications, and all applicable requirements and other submissions or information about the applications. 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, the AER considered the following:

- These applications are amendments to previously approved facilities as part of Dimsdale Paddy A Gas Storage Scheme which was approved in January 2014. The decision to approve an energy activity, including injection and storage of gas into an underground formation, assumes operational compliance with all AER requirements and approval conditions. Tidewater must operate in accordance with the terms and conditions of its approvals as well as all AER operating requirements. Any such contravention would be subject to AER enforcement action, which may include suspension of operations and other remedial action.
- The relevant gas storage reservoir scheme is not a "pressure vessel" as you have asserted. Tidewater has responded to you on previous occasions with regards to the concerns with the reservoir integrity to safely store gas. The AER has also responded to this same concern of a pressure vessel in a letter dated February 27, 2019.
- The amendment applications are compliant with AER directives and regulations to ensure that the project is operated with minimal risk to residents. The AER has regulations and control conditions in place regarding gas storage scheme; such as *Directive 65: Resources Applications for Oil and Gas Reservoirs*. Tidewater must comply with the regulations in place and carry out its engineering and

operational design of its infrastructure in accordance with the existing gas storage scheme approval and in accordance with existing rules and good engineering practices.

- Your concerns have been adequately addressed through AER requirements, mitigations proposed by Tidewater, and the characteristics of the depleted gas storage reservoir.
- Your lands and residence are approximately 1.0 km away from the lands on which the amendment is proposed and you have not established sufficient connection between the subject matter of the applications and the impacts you are concerned with so as to demonstrate that you may be directly and adversely impacted by the subject amendment applications.

Based on the above, the AER has concluded that it is not necessary to hold a hearing before making a decision on the applications. The AER has issued the applied-for licences and this is your notice of that decision. Copies of the licences are 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 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.

Sincerely,

<Original Signed By>

Rob Cruickshank

Director Business Process, Authorizations

Attachment: 2 licences

cc: Ryan Connery
AER SOC Assessor
AER Grande Prairie Field Centre