

BY EMAIL ONLY

July 23, 2019

Malcolm Convey

CANADIAN NATURAL RESOURCES LIMITED (CNRL)

APPLICATION NO. 1918784

STATEMENT OF CONCERN NO. 31471

Dear Malcolm Convey:

You are receiving this letter because you filed a statement of concern about Application No. 1918784. 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 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, we considered the following:

- The subject application is for an amendment to CNRL's Primary Recovery Scheme Approval No. 9415, to allow CNRL to increase the subsurface well density in the proposed project locations from the standard prescribed in the *Oil and Gas Conservation Rules*. The amendment would not authorize any drilling or surface activities. The majority of your concerns pertain to drilling and surface activities and are, therefore, outside the scope of this application.
- Specifically, your concerns regarding well location, impacts to wildlife, surface activities, noise, odour, soil erosion, introduction of invasive and parasitic plant species, and risk of spills and contamination are all outside the scope of the current application. These concerns can be raised and considered when CNRL files its *Directive 056: Energy Development Applications and Scheduled* (D056) application.
- Your concerns regarding traffic and road safety are outside the jurisdiction of the AER and should be directed to the appropriate authority (Alberta Transportation or the municipality).

- Your concerns around shale collapse relate to a statement in CNRL's 2013 Application No. 1765293, which made reference to collapses in the Colorado Shale Group overlying the target deposits. However, based on information provided by CNRL and reviewed by AER staff, it is understood that the shales were found to be intact. AER staff have concluded there are no known geology-related structural features identified that could compromise the integrity of the caprock within the project area. AER staff are satisfied that the proposed increased well density will not adversely affect local waterbodies.
- Your concerns around impacts to waterbodies and groundwater are also addressed by *Directive 008: Surface Casing Depth Requirements* which states that surface casing be set and cemented to a depth that is intended to protect the deepest aquifer. CNRL must comply with AER requirements which are protective of groundwater sources.

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>.

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 Megan Carfantan at Megan.Carfantan@aer.ca.

Sincerely,

<Original Signed By>

Lane Peterson
Director, Oil and Gas Surface Authorizations

Attached: Approval (1)

cc: Glenn Sando, Canadian Natural Resources Limited
AER SOC Assessor
AER Bonnyville Field Centre