

BY E-MAIL ONLY

November 5, 2019

Ryan O'Connor

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ALPHABOW ENERGY LTD.

APPLICATIONS NO. 1923878, 1923879 and 1923711

STATEMENTS OF CONCERN NO. 31561, 31562 and 31568

Dear Ryan O'Connor:

You are receiving this letter because you filed three statements of concern on behalf Louise and Gordon Anderson (the Andersons) about Applications No. 1923878, 1923879 and 1923711. The Alberta Energy Regulator (AER) has reviewed the statements of concern, along with the application, the applicable requirements, and other submissions or information about the application. The AER has decided that a hearing is not required under an enactment, or necessary, to consider the concerns outlined in the statements of concern.

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

- The proposed wells are not located on the Andersons' lands with the closest well located approximately 644 meters (m) from their residence.
- The water quality concerns about effects of the wells on the Andersons' water source are addressed by AER requirements that surface casing be set and cemented to a depth that is intended to protect the deepest aquifer. AlphaBow must comply with AER requirements, which are protective of the groundwater sources. AlphaBow also committed to testing the Andersons' water source prior to and after the drilling of any proposed wells. In addition, should water quality and quantity be compromised as a result of the activities, AlphaBow committed to taking reasonable steps to ensure access to water of a similar quality and quantity.

- With regard to concerns related to noise, flaring and odors, AlphaBow is required to comply with the requirements of the AER *Directive 038: Noise Control*. AlphaBow must also comply with the regulatory requirements of the AER *Directive 60: Upstream Petroleum Industry Flaring, Incinerating, and Venting* for intermittent flaring notifications when required. Emissions from the proposed projects are not anticipated and there will be no permanent on-site flaring associated with the project.
- The Andersons' lands are located over 100 m from the closest proposed well and are within the prescribed Emergency Planning Zone of 0.24 km. AlphaBow has a corporate emergency response plan in place to address a sour gas emergency should one occur.
- The concerns regarding traffic are outside of the jurisdiction of the AER and should be addressed by the municipality or Alberta Transportation. Furthermore, AlphaBow has committed to adhere to the county's road use requirements in respect of the project.
- With regard to the dust concerns, AlphaBow confirmed that it will implement dust control measures in front of the temporary residence for the duration of construction of the project.
- Consequently, AlphaBow has responded to the concerns outlined in the SOC to the satisfaction of the AER.

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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 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 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.

Sincerely,

<original signed>

Rob Cruickshank

Director, Oil and Gas

Enclosure (5): (Licences)

cc: Rhonda Rogers rhondarogers@alphanowenergy.com
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AER Wainwright Field Centre, Wainwright.FieldCentre@aer.ca

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