

BY EMAIL ONLY

October 30, 2019

Sachin Bhardwaj, Regulatory Team Lead
MEG Energy

CENOVUS ENERGY INC.

APPLICATION NO. 1923919

STATEMENT OF CONCERN NO. 31573

Dear Sachin Bhardwaj:

You are receiving this letter because you filed a statement of concern about Application No. 1923919 on behalf of MEG Energy. 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, the AER considered the following:

- The proposed application is for an amendment to an already existing scheme approval. The concerns around the Narrow Lake Thermal Project trying tying into the Christina Lake Thermal Project, via pipeline, are outside the scope of the current application, and those concerns may be addressed when the *Directive 056: Energy Development Applications and Schedules* (Directive 056) application is submitted.
- The concerns around proximity and overlapping dispositions are outside the scope of the current application and may be addressed when *Public Lands Act* applications are submitted.
- Cenovus has applied for and has met the requirements for a Category 2 amendment. MEG's request to have the application deemed a Category 3 amendment is unfounded as the evidence does not seem to support a finding that Cenovus would meet the Category 3 amendment requirements.

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>

Rob Cruickshank
Director, Business Process

Enclosure (1): **(Approval)**

cc: Brent Mitchell, Cenovus Energy
AER SOC Assessor
AER Bonnyville Field Centre