

March 31, 2020

By Email Only

Robert Hosie
Whitehaven Beach Capital Corp. & Title Shot Oil Inc.

Statement of Concern No. 31674
Arrow Point Oil & Gas Ltd (Arrow Point) to Taber Water Disposal Inc. (Taber)
Application No. 1926204

Dear Robert Hosie:

You are receiving this letter because you filed a statement of concern (SOC) about Application No. 1926204. The Alberta Energy Regulator (AER) has reviewed your SOC, along with the 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 SOC.

In our review of your concerns, we considered the following:

- The application is subject to conditions in accordance with *AER Bulletin 2016-21: Revision and Clarification on Alberta Energy Regulator's Measures to Limit Environmental Impacts Pending Regulatory Changes to Address the Redwater Decision*.
- The AER is applying its discretion and waiving the security amount to LMR 1.0 because Taber is acquiring licences that would ultimately end up in the Orphan Well Association. Taber has demonstrated a plan with respect to closure and reactivations that is satisfactory to the AER. The AER can require security at any time for any reason and we will exercise our regulatory authority to collect security should Taber default on its plan.
- Your concerns around the application material being incomplete are not supported, as the application has been deemed technically complete by the AER.
- Your concerns with respect to the application conflicting with written direction from the AER has been mitigated as the applicant has provided sufficient evidence to support its claim to mineral rights.

- Your concerns about working interest percentages and operatorship are a private contractual matter between yourself and Taber and are outside the jurisdiction of the AER.
- The other allegations made in regards to Taber and Enerstar are unproven and are matters outside the jurisdiction of the AER.

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 located here: <https://www.aer.ca/regulating-development/project-application/regulatory-appeal-process>.

If you have any questions please contact SOC@aer.ca.

Sincerely,

<Original signed by>

Trevor Gosselin
Director, Transfer, SOC & Support
Regulatory Applications
/yc

Enclosure (1): **Approval**

cc: Deidre Macht, Taber Water Disposal Inc.
SOC Assessor, AER
Medicine Hat Field Centre, AER