

April 24, 2020

By Email Only

Astrid E. Kalmet
Canadian Natural Resources Limited (CNRL)

**Statement of Concern No. 31728
Peyto Exploration & Development Corp. (Peyto)
Application No. 1927559**

Dear Sir/Madam:

You are receiving this letter because you filed a statement of concern (SOC) about Application No. 1927559. 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:

- CNRL's concerns have been adequately addressed. Peyto has agreed to amend the application to align with the proposal brought forward by CNRL which is as follows;
 - Wells shall be no closer than 150m to the boundaries of the holdings, and
 - There may be six (6) producing wells per pool per section on sections 19, 21, 27, 28 and 30-056-24W5M, with a special provision that there shall be no more than ten (10) producing wells per pool per section on section 16-056-24W5M.

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>

Steve Thomas
Director, Oil and Gas Subsurface, Waste & Storage
Regulatory Applications
/bg

Attachment (1): Approval

cc: Riley Frame, Peyto Exploration & Development Corp.
Jessica Eslinger, AER
SOC Inbox, AER
Edmonton Field Centre, AER