

April 8, 2020

By Email Only

Rima Tober
Synergy Land Services Ltd., on behalf of Buffalo Hill Resources Ltd.

Statement of Concern No. 31724
Secure Energy Services Inc. (SECURE)
Application No. 1927664

Dear Sir/Madame:

You are receiving this letter because you filed a statement of concern (SOC) about Application No. 1927664. The Alberta Energy Regulator (AER) has reviewed your SOC, along with the application, 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:

- SECURE obtained a Crown Mineral Authorizations (CMA) on January 30, 2018 that provided consent for disposal into undisposed Crown land into the Belloy, Winterburn and Nisku Formations. The well was subsequently drilled and cased in March 2018, then later perforated in the Winterburn and Nisku zones in June 2018.
- The Petroleum and Natural Gas (PNG) rights for zones below the base of the Montney Formation were obtained by Buffalo Hill Resources Ltd. effective July 12, 2018.
- AER *Directive 065: Resources Applications for Oil and Gas Reservoirs* was updated in March 2020 to reflect the change in CMA requirements, stating that a

valid Crown authorization that was obtained prior to the lease being issued is considered evidence of the right for the applicant to dispose.

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: Justin Clements, Secure Energy Services Inc.
Lindsay Stubbs, AER
SOC Inbox, AER
Grande Prairie Field Centre, AER