

December 1, 2020

By Email Only

Paul Wright
Bearspaw Petroleum Ltd.

Statement of Concern No. 31806
Keyera Energy Ltd. (Transferee)
Just Freehold Energy Corp. (Transferor)
Application No. 1929862

Dear Paul Wright:

You are receiving this letter because you filed a statement of concern (SOC) about Application No. 1929862. 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 information provided in the SOC is general in nature and it does not identify a direct and adverse impact as a result of the proposed transfer.
- The AER has reviewed the application and is satisfied that Just Freehold Energy Corp. (Just Freehold) meets the requirements of *Directive 006: Licencee Liability Rating (LLR) Program and Licence Transfer Process*.
- Your concerns regarding the disputes around easements and right-of-way assignments appear to be administrative or contractual matters between two commercial parties that are outside the jurisdiction of the AER.
- This transfer will allow Just Freehold to resume production of recently acquired wells from a receivership reducing the risk of these assets being destined for the Orphan Well Association.
- The denial of the transfer would require a construction new pipelines, leading to additional environmental impact and disturbance instead of utilizing functional infrastructure already in existence.

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 approvals 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, Transfers, SOC & Support
Regulatory Applications
/ma

Attachment (1): Approval

cc: Jauna Anstett, Keyera Energy Ltd.
Brad Murray, Just Freehold Energy Corp.
Amy Thistle, AER
Red Deer Field Centre, AER
SOC Inbox, AER