

June 17, 2022

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By Email Only

Roy Auger
Buffalo Lake Metis Settlement (BLMS)**Statement of Concern No. 32091**
Perpetual Energy Inc. (Perpetual)
Application No. 1935776

Dear Roy Auger:

You are receiving this letter because you filed a statement of concern (SOC) on behalf of the BLMS about Application No. 1935776 (the Application). 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:

- Perpetual has applied under *Directive 065: Resources Applications for Oil and Gas Reservoirs* to establish a holding for the production of oil in the Upper Mannville formation. The applied-for approval only concerns subsurface well spacing; the Application does not relate to any surface disturbance. Establishing a holding does not authorize drilling, construction or operation of any wells or related facilities, or authorize any other surface activities.
- The BLMS' concerns around wildlife, traffic, and noise are outside the scope of the Application. Should Perpetual apply for a well licence under Section 2.020 of the *Oil and Gas Conservation Rules* in accordance with *Directive 056: Energy Development Applications and Schedules*, the BLMS may choose to raise concerns related to surface disturbance at that time.
- Regarding the BLMS' concerns around environmental impacts, and specifically impacts to water quality in the waterbodies near the proposed project area, these concerns are out of scope for the Application. However, Perpetual has committed to sample and test the water for hydrocarbon contamination and to provide the BLMS with the test data.

- Regarding the BLMS' concerns around impacts to Aboriginal rights and traditional land use activities, such as hunting and harvesting of traditional medicinal plants, the AER notes that the Application relates only to subsurface well spacing and does not authorize surface activities.

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 & Gas Subsurface, Waste & Storage
Regulatory Applications
/mc

Attachment (1): Approval

cc: Brad Rowsell, Perpetual Energy Inc.
XinXin Sun, AER
SOC Inbox, AER
Field Operations Central, AER
Aboriginal Consultation Office