

March 22, 2022

By Email Only

Sabri Shawa  
**Jensen Shawa Solomon Duguid Hawkes LLP (JSS Barristers)**

**Statement of Concern No. 32079**  
**Canadian Natural Resources Limited (CNRL)**  
**Application No. 1935866**

Dear Sabri Shawa,

You are receiving this letter because you filed a Statement of Concern (the SOC) on behalf of ISH Energy Ltd. (ISH) in response to CNRL's Application No. 1935866 (the Application). The Alberta Energy Regulator (AER) has reviewed the 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 the SOC.

In its review of the concerns stated in the SOC, the AER considered the following:

- The Application seeks approval to combine the two currently approved surface pads, located to the southwest of drainage boxes KN24 and KN25, into a single surface pad located to the northeast of the same drainage boxes. The proposed amendment is not expected to adversely or materially affect resource conservation or alter the environmental or socioeconomic impacts assessed in Commercial Scheme Approval No. 11475VV (the approval) and is therefore considered a Category 1 Amendment pursuant to *Directive 023*.
- Regarding concerns relating to the subsurface elements of the approval and the potential for subsequent amendment applications, these concerns relate to matters that are beyond the scope of the Application.
- Regarding the potential for subsequent amendment applications, ISH can state future concerns, if any, pursuant to the procedures available to ISH when such concerns arise.
- Regarding the approved injection pressure, the Application does not seek to amend previously approved maximum bottomhole injection pressures, and related concerns are therefore outside of the scope of this Application.
- Regarding the identified thermally non-compliant wells, the proposed amendment does not adversely or materially affect these wells. CNRL has stated that remediation work will be completed to comply with clause 7(1) of the approval and *Directive 020*.

- Regarding the concern about the workover completed on well 10-01, this concern relates to a matter that is beyond the scope of the Application, and this concern has been adequately addressed to the satisfaction 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](mailto:SOC@aer.ca).

Sincerely,

<Original Signed by>

Andrew MacPherson  
Director, InSitu  
Regulatory Applications  
/ma

Attachment (1): **Approval**

cc: Marc Scrimshaw, Canadian Natural Resources Limited  
Karan Dutt, AER  
SOC Inbox, AER  
ADR Inbox, AER  
Field Operations East, AER