Alberta Energy Regulator

Calgary Head Office
Suite 1000, 250 – 5 Street SW
Calgary, Alberta T2P 0R4
Canada

www.aer.ca

October 11, 2022

By Email Only

Jeff Kocuipchyk

Statement of Concern No. 32123
MAGA Energy Ltd. (MAGA)
Application No. 1938179

Dear Jeff Kocuipchyk:

You are receiving this letter because you filed a statement of concern (SOC) about Application No. 1938179. 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:

- MAGA has applied to construct a new sweet gas processing facility adjacent to a licenced sour gas battery on an existing lease. There are no emissions of CO^2 or H_2S anticipated for the proposed facility. The adjacent existing sour gas battery has safety measures in place to stop emissions from entering the new proposed sweet gas facility. If future equipment, that is not part of this application, is necessary at this proposed facility, MAGA will be required to submit an amendment application at that time.

- Regarding concerns about noise, MAGA completed a pre approval Noise Impact Assessment (NIA) in April 2022 wherein the results indicated that cumulative Sound Pressure Levels (SPL) are expected to meet the SPL of the 170 residences located within 1500 m of the proposed facility. The report indicated that additional noise control is not required for the proposed facility to comply with *Directive 038: Noise Control*. MAGA must meet the requirements set out in *Directive 038: Noise Control*. Furthermore, AER staff have reviewed the NIA for the proposed

project and have deemed it adequate, therefore this concern has been addressed to the satisfaction of the AER.

- Regarding concerns about engagement, the AER notes that MAGA has met the consultation and notification requirements for this type of application. In addition, the AER notes that Alternative Dispute Resolution (ADR) staff contacted MAGA and Jeff Kocuipchyk in the Spring of 2022 to attempt ADR discussions, at which time ADR was deemed inappropriate.

- Pertaining to concerns about the accuracy of the application, the AER notes that the application meets the requirements set out in *Directive 056: Energy Development Applications and Schedules.*

- With respect to concerns related to Link Global Technologies Bitcoin Farm, these concerns are outside of the AER's jurisdiction.

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 licence, and this is your notice of that decision. A copy of the licence 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 licence 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>

Lane Peterson
Director, Oil & Gas Surface

Regulatory Applications
/as

Attachment 1: Licence

cc: David Tian, MAGA Energy Ltd.
    Mark Ross, MAGA Energy Ltd.
    SOC Inbox, AER
    Matthew Bonko, AER
    Field Operations Central, AER