

December 20, 2022

[www.aer.ca](http://www.aer.ca)

By Email Only

Robert Hosie, President  
**Whitehaven Beach Capital Corp.****Statement of Concern No. 32135  
SanLing Energy Ltd. (SanLing) To Luxur Resources Inc. (Luxur)  
Application No. 1939169**

Dear Mr. Hosie:

You are receiving this letter because you filed a statement of concern (SOC) about Application No. 1939169. 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 AER has reviewed the application and is satisfied that Luxur meets the requirements of *Directive 088: Licensee Life-cycle Management*.
- This application seeks to transfer existing licences held by an insolvent licensee, SanLing, and is administrative in nature. There will be no physical changes to the licences subject to this transfer; this will not result in any additional development or infrastructure at the site, as the application will only transfer the existing licences from SanLing who is insolvent and unable to carry out its obligations, over to Luxur.
- Your concerns regarding contractual matters and financial disputes are outside the AER's jurisdiction and should be addressed by the Alberta Courts.
- The AER acknowledges your concerns regarding fraudulent and misleading information; however, these concerns relate to matters that are also outside of the scope of the AER's jurisdiction.

- Regarding your concern that Luxur operated these assets without insurance, the AER Eligibility, Transfer and Security (ETS) Team has confirmed that Luxur is currently in compliance with *Directive 067: Eligibility Requirements for Acquiring and Holding Energy Licences and Approvals (Directive 067)* Insurance requirements.
- The AER notes your concerns raised regarding the relationship between Luxur and Taber Water Disposal Inc. (TWDI). The ETS Team took the Luxur / TWDI association into consideration and is satisfied that the concerns have been adequately addressed to the satisfaction of the AER through the approval condition that Luxur is to pay full security within 30 days of accepting the license transfer.
- It was noted that Luxur is in the process of selling all its company shares to TWDI. Should this transaction take place, TWDI would be required under the *Oil and Gas Conservation Act* to submit a Schedule 1 material change outlining all material changes. At that time, the application will be required to meet *Directive 067*, including Section 4.5 Unreasonable Risk.

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 Decision Letter, and this is your notice of that decision. A copy of the letter 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>

Steve Thomas  
Director, Oil & Gas Subsurface  
Regulatory Applications  
/ek

Attachment (1): Decision Letter

cc: Mitchell Bauman, SanLing Energy Ltd.

Jaymee Cubeta, AER

SOC Inbox, AER

ADR, AER