

AER Proceeding 427

July 21, 2023

By email only

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Canadawww.aer.ca**Cassels Brock & Blackwell LLP**
Attention: Jeremy Barretto**Blake, Cassels & Graydon LLP**
Attention: Lars Olthafer**Re: Reconsideration 1942203
Reconsideration 1943570
Application 1942541
Canadian Natural Resources Limited (Canadian Natural)
Greenfire Resources Operating Corporation (Greenfire)
Hearing Issues and Scope**

Dear Sirs:

As the presiding member of the panel of Alberta Energy Regulator (**AER**) hearing commissioners for this proceeding (**panel**), I write to you on behalf of the panel.

I issued a letter to the parties on July 13, 2023, advising that the hearings for the reconsideration of Class Ib Disposal Approval No. 13122B issued to Greenfire on July 21, 2022 (**Reconsideration 1943570**) and Application No. 1942541 by Greenfire seeking an amendment to Class Ib Disposal Approval No. 13122B to rescind clause 7(b) of the approval (**Application**) would be joined to Proceeding 427.

The letter requested comments regarding whether the issues previously decided for Proceeding 427 on June 23, 2023, should be revisited beyond a revision of the first issue to refer to Class Ib Disposal Approval No. 13122B (**B-Approval**) in place of Class Ib Disposal Approval No. 13122A (**A-Approval**).

On July 19, 2023, the panel received responses from both Greenfire and Canadian Natural. Both parties agreed that the issues previously decided for Proceeding 427 did not need to be revisited beyond substituting reference to Class Ib Disposal Approval No. 13122A with reference to Class Ib Disposal Approval No. 13122B.

Given the parties' agreement, the panel confirms that the issues for Proceeding 427 are:

1. Will Greenfire's continued operation in accordance with AER Class Ib Disposal Approval No. 13122B dated July 21, 2022, of the 100/02-15-084-11W4 disposal well (02-15 disposal well)

impact, and to what degree, Canadian Natural's Clearwater gas production operation (e.g. by watering out or H₂S contamination)?

2. If so, to what degree, if any, should Greenfire's 02-15 disposal well operation be confirmed, varied, suspended or rescinded having regard to the mandate and purposes of the AER in the public interest?

In its June 19, 2023, correspondence, Greenfire requested that the hearing of Application not be added to the proceeding. Greenfire provided comments explaining its position that the joining of the Application to the proceeding was not warranted having regard to the Application purpose, the absence of any relationship of that purpose to the conservation issues in the proceeding, and the lack of any statement of concern having been filed relative thereto. Greenfire submitted that any material change or expansion of the issues in the proceeding at this stage risked requiring a change to the procedural schedule for the reconsideration hearing.

As noted in my letter of July 13, 2023, the Application seeks an amendment of Class Ib Disposal Approval No. 13122B, but the final decision on Reconsideration 1943570 will confirm, vary, suspend or revoke Class Ib Disposal Approval No. 13122B. The Application to amend Class Ib Disposal Approval No. 13122B relates to the reconsideration of Class Ib Disposal Approval No. 13122B. The hearing of the Application will be heard with the hearing of Reconsideration 1942203 and Reconsideration 1943570.

Regarding Greenfire's concerns in respect of the procedural schedule, the panel will not make changes to the schedule for the proceeding established on June 23, 2023, at this time. Greenfire's submission deadline of July 24, 2023, remains. However, the panel is prepared to establish, in future, a second submission date for Greenfire limited in scope to only those submissions Greenfire wishes to make on the merits of the Application.

The panel notes the July 25, 2023, deadline for anyone wishing to file a request to participate in the hearing of Reconsideration 1943570 or the hearing of the Application. The panel will address changes to the procedural schedule following the close of the request to participate period and its decision on any request(s) received.

Yours truly,

Alex Bolton
Presiding Hearing Commissioner

cc: Liv Desaulniers, Cassels Brock & Blackwell LLP

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