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October 15, 2026

By email only: Erica.robinson@borougeinternational.com

Erica Hoffat

Nova Chemicals Corporation (Nova)

Statement of Concern No. 33076

Enbridge Wabamun Hub Ltd. (Enbridge)

Application No. 1961024

Dear Erica Hoffat,

You are receiving this letter because you filed a statement of concern (SOC) about Application No. 1961024. 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:

- Enbridge has applied for approval of a carbon dioxide sequestration scheme for the purpose of permanently storing and trapping carbon dioxide captured from third party producers in the Basal Cambrian Sandstone geological formation. This is an optional pre-drill application, not an application for authorization to inject.
- The AER acknowledges the concerns summarized below. The concerns are based on future injection activities, which are beyond the scope of the current application. Although the subject application contemplates injection for sequestration purposes, an additional post-drill application under *Directive 065: Resources Applications for Oil and Gas Reservoirs (Directive 065)* is required to authorize injection activities. Enbridge is required to submit well penetration data when it becomes available as part of that application. Further, Enbridge is required to provide new notification to all cavern operators located within 15 km of the easternmost well location identified in clause 2, subclause a of the approval (condition 6 of Approval No. 13575).
- Your concerns relate to the proximity of the proposed project to the Redwater Caverns that you use (9 km) and the impact on cavern integrity which may cause contamination or significant loss of product. Further, you requested that the AER consider the concerns expressed by Pembina Pipeline Corp. (Pembina). As such, the following responses provided to Pembina are also provided below.

- You are concerned that induced seismicity from the proposed operations could compromise the cavern casings at the Redwater Fractionation and Storage Facility. More specifically, you indicate that Enbridge has not completed an adequate seismic risk assessment. The AER has requested, received and reviewed the Monitoring, Measurement, and Response (MMR) plan submitted by Enbridge on June 29, 2026, that considers a seismic hazard assessment with a 40 km Induced Seismicity Area of Review.
- An updated MMR Plan must be submitted with the post-drill application, based on any new information and addressing variations in the red-light threshold within a defined 40 km radius around the sequestration operations, as identified by the population centres in the iso-nuisance and iso-damage model (condition 9 of Approval No. 13575).
- Regarding concerns with the fluid plume migration beyond lease boundaries, Enbridge submitted modelling results that do not indicate plume migration beyond the sequestration lease boundary under the evaluated cases. As required by the Monitoring, Measurement, and Verification (MMV) Plan, fluid and pressure plume development will be monitored with the acquisition of data that will be used to history-match the dynamic reservoir simulation models
- Regarding subsurface pressure concerns, Enbridge is required to provide zonal pressure data for each of the proposed injection wells (condition 3(d) of Approval No. 13575). The MMV Plan will monitor the fluid and pressure plume development over time.
- With regard to your concern about the number of injection wells proposed in this application, the well count is based on site-specific static and dynamic reservoir modelling, calibrated to available regional and analogue data, and reflects conservative injectivity assumptions for the Basal Cambrian Sandstone at the Wabamun location. As this is a pre-drill application, the more information from drilling, testing, and post-drill evaluation of the scheme is required with the *Directive 065* two-step process. Any future additional injection well proposals will be subject to a *Directive 065* application process. All applications, when received, have a public notice posted on the AER's website and are available for viewing on the AER's Public Notification of Tool. On each public notice, the deadline for filing Statements of Concern is indicated.
- Regarding the concern of Enbridge's notification and engagement, Pembina has been notified of the subject application, although Pembina is not in the minimum notification requirements described in *Directive 065*. In the submission dated May 19, 2026, Enbridge indicates that it welcomes continued engagement and information sharing to support a collaborative approach. Before filing the post-drill *Directive 065* application, Enbridge is required to issue new notifications in accordance with *Directive 065* requirements, including notification to all cavern operators located within 15 km of the easternmost well location identified in clause 2, subclause a of the approval (condition 6 of Approval No. 13575).

Accordingly, your concerns relate to impacts that may or may not arise from injection and sequestration activities that Enbridge may apply for at a future date as part of the second step of the two-step pre-drill process and are related to matters outside the scope of the current application. You have not demonstrated that you may be directly and adversely affected by approval of the application.

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 and Gas Subsurface, Waste and Storage

/at

Attachment (1): Approval

cc: Emma Pimm, Enbridge Wabamun Hub Ltd.

Lanre Maliki, AER

ADR, AER

SOC Inbox, AER

Field Operations, Northeast, AER