

August 20, 2020

By Email Only

Les Nester
F. Nester Ranching Ltd

Statement of Concern No. 31599
ConocoPhillips Canada Resources Corp.
Application No. 30653882 (Formerly 1221142)
Location: 102/15-31-023-12W4M.

Dear Mr. Les Nester:

You are receiving this letter because you filed a statement of concern (SOC) about Reclamation Application No. 30653882. 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 Detailed Site Assessment (DSA) completed by Ridgeline Environment on June 6, 2019, for the site and access road showed that all soil, landscape and vegetation parameters of *2010 Reclamation Criteria for Wellsites and Associated Facilities for Cultivated Lands* (AER, 2014) (“Reclamation Criteria”) were met. And that all parameters are comparable both on-site and off-site.
- A site visit was conducted on June 24, 2020, by representatives from the AER, representatives from ConocoPhillips and yourself. A walk around both on and off the site was conducted. Soil holes were dug within the specific area of concern (the western portion of the lease) to look for signs of compaction. It was determined by the AER’s Reclamation Assessor that the western portion of the lease soils are sandy to sandy-loam in texture with good drainage capacity, and no rooting restrictions or compaction were observed.
- The Reclamation Criteria is applied to evaluate whether “a site has met equivalent land capability.” Given the findings made in the DSA and during the AER staff site visit on June 24, 2020, the AER is satisfied that the site has met equivalent land capability and that your concerns have been addressed.

- You have requested the site to be deep ripped, reseeded and to have the vegetation growth monitored and the stand remediated until the desired production is achieved. However, as the Reclamation Criteria has been met, there is no requirement to conduct further reclamation work. The 25-year liability period after a reclamation certificate is issued provides assurance for any unforeseen reclamation concerns which may arise in the future.

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

Andrew MacPherson
Director, In Situ
Regulatory Applications
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Attachment (1): Reclamation Certificate

cc: Glenn Ball, ConocoPhillips Canada Resources Corp.
Tracy Kupchenko, AER
Medicine Hat Field Centre, AER
SOC Assessor, AER
Reclamation Inbox, AER