

July 8, 2022

www.aer.ca

By Email Only

Harry and Emily Schudlo

**Statement of Concern No. 32074
Bonterra Energy Corp. (Bonterra)
Application No. 31525745**

Dear Harry and Emily Schudlo,

You are receiving this letter because you filed a statement of concern (SOC) about Application No. 31525745. 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:

- Regarding your concerns about fracking effects to your water well, Bonterra must comply with AER requirements that surface casing be set and cemented to a depth intended to protect the deepest aquifer, as specified in AER *Directive 008: Surface Casing Depth Requirements*. Additionally, Bonterra has committed to having your water well tested by a third party both before and after well completion. The AER notes that in addition to AER *Directive 008: Surface Casing Depth Requirements*, Bonterra must follow all other relevant AER rules and meet AER requirements, including those specified in AER *Directive 009: Casing Cementing Minimum Requirements*, *Directive 036: Drilling Blowout Prevention Requirements and Procedures* and *Directive 083: Hydraulic Fracturing – Subsurface Integrity*.
- Your concerns about project-related traffic relates to matters outside of the AER's jurisdiction and should be directed to Alberta Transportation or the appropriate municipal authority. All project-related traffic must obey local laws. In addition, Bonterra's traffic plan indicates that no project-related traffic will pass by your approach.

- Regarding your concerns about noise generated during drilling, testing and operations of the well, Bonterra must comply with *Directive 038: Noise Control*, and address all operational noise complaints, if any arise. Please contact the AER at 1-800-222-6514 to file any complaints. The AER notes that Bonterra has offered hotel and subsistence as potential mitigation of impacts from site activity and noise if required.
- Your concern around property value is general in nature, and there is insufficient information to determine that your property value may be negatively affected by the project.
- With respect to your concerns related to potential environmental and health impacts due to flaring and emissions, Bonterra will be required to comply with *AER Directive 060: Upstream Petroleum Industry Flaring, Incinerating, and Venting* and the requirements set out in the *Alberta Ambient Air Quality Guidelines* for emissions. Bonterra has stated that it does not anticipate any continuous flaring associated with the production phase of the proposed project, and that any flaring operations will be temporary. In addition, in correspondence dated January 31, 2022, Bonterra referenced an Emission Mitigation Plan and has committed to continuous monitoring of hydrogen sulphide and the lower explosive limit of gas throughout the wellsite to trigger emergency shutdown and flare blowdown. In further correspondence dated June 15, 2022, Bonterra provided specific details regarding the emission mitigation plans for the drilling and completions / well servicing phases of the project. With the additional mitigation details, the concerns have been addressed to the AER's satisfaction.

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
/ek

Attachment (1): Licence

cc: Katie MacGregor-Resch, Bonterra Energy Corp.
Steven Lee, AER
Val Silva, AER
SOC Inbox, AER
ADR Inbox, AER
Field Operations Northwest, AER