

March 4, 2024

By Email Only

Kristian Toivonen
KMSC Law LPP

**Statement of Concern No. 32417
Tourmaline Oil Corporation
Application Nos. 32573426 and 32576312**

Dear Kristian Toivonen,

You are receiving this letter because you filed a statement of concern (SOC) on behalf of Brennan Zurock, Rachel Smith, and Dwayne Drzewecki about Application Nos. 32573426 and 32576312. The Alberta Energy Regulator (AER) has reviewed your SOC, along with the applications, and all applicable requirements and other submissions or information about the applications. 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 acknowledges the concerns regarding historical operational incidents no. 20210146, 20212493, and 20211888 which occurred within the project area; however, this is outside the scope of the current applications as it relates to operational complaints against activities operated by Rising Star Resources, prior to Tourmaline acquiring their assets. Furthermore, the incidents have been closed by the AER.
- The AER requires that licensees are fully prepared and capable of responding to any level of emergency as outlined in *Directive 071: Emergency Preparedness and Response Requirements for the Petroleum Industry*. The SOC filers may report operational complaints, if any arise, by contacting the AER Northwest Field Center or the Energy and Environmental Emergency 24-Hour Response Line 1-800-222-6514. It is the expectation of the AER that Tourmaline appropriately responds to any emergency.

- Regarding the concerns about the limited details of the proposed surface infrastructure, Tourmaline's project specific information package is required to include the items listed in *Directive 056: Energy Development Applications and Schedules* (Directive 056). A comprehensive list of the information which must be included can be found in *Section 3.2.2 What Information to Disclose* of Directive 056 and located here: <https://www.aer.ca/regulating-development/rules-and-directives/directives/directive-056>. A review of the of the participant involvement package was completed and it was found to satisfy the requirements of Directive 056.
- The AER recognizes the concerns regarding wildfire and noise. Tourmaline must comply with *Directive 060: Upstream Petroleum Industry Flaring, Incinerating, and Venting* as well as *Directive 038: Noise Control*.
- The concerns regarding traffic relate to matters outside of the AER's jurisdiction and may be addressed by Alberta Transportation or the appropriate municipality or county.
- The AER acknowledges the concerns relating to water quality and impacts to water wells. To ensure that non saline groundwater is protected, Tourmaline is required to comply with AER *Directive 008: Surface Casing Depth Requirement* and AER *Directive 009: Casing Cementing Minimum Requirements*, which requires surface casing be set and cemented to specific depths intended to protect the deepest aquifer. AER *Directive 083: Hydraulic Fracturing – Subsurface Integrity*, outlines requirements for managing subsurface integrity associated with hydraulic fracturing operations, which includes requirements to prevent impacts to non-saline aquifers and water wells during hydraulic fracturing. The AER requires that Tourmaline meets all requirements during operations. Additionally, Tourmaline has committed to conducting pre and post drilling water well testing, which adequately addresses these concerns.
- The AER acknowledges the concern from Brennan Zurock and Rachel Amanda Smith regarding the potential for surface water run-off contamination into their dugout located in SE-27. Tourmaline has committed to constructing berms around the lease and testing surface water prior to discharging.
- The concerns regarding property value are general in nature, and there is insufficient information to show how the filers may be directly and adversely affected by 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 applications. The AER has issued the applied-for licences, and this is your notice of those decisions. Copies of the licences are 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
/jg

Attachments (2): Licence

cc: Tracy Hudson, Tourmaline Oil Corporation
SOC Inbox, AER
Chantelle Warriner, AER
Field Operations Northwest, AER