

December 5, 2024

www.aer.ca

By Email Only

Raza Hasanie
Regnum Energy Ltd.**Statement of Concern No. 32555
Torxen Energy Ltd. (Torxen)
Application No. 32990587**

Dear Mr. Hasanie:

You are receiving this letter because you filed a statement of concern (SOC) about Application No. 32990587. 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 AER acknowledges concerns that Regnum Energy Ltd. (Regnum) has regarding previous damage observed at its 11-26-016-11W4M (11-26) well. However, this concern is out of scope for the subject application and is considered operational in nature. The AER notes that the South Field Centre was engaged by Regnum and the inquiry has been resolved. Should future operational complaints arise, they may be reported by contacting the AER South Field Center or the Energy and Environmental Emergency 24-Hour Response Line 1-800-222-6514.
- Regnum's concern regarding potential damage to their nearby abandoned wells is general. There was insufficient information provided to show a direct nexus between the damage observed at Regnum 11-26 and the proposed project, or how Regnum may be directly and adversely affected by the approval of the project. Additionally, the AER notes that Torxen is required to comply with *Directive 083: Hydraulic Fracturing – Subsurface Integrity* which requires a documented hydraulic fracturing program. This includes determination of a Fracture Planning Zone (FPZ), identification of all offset

wells within the FPZ, an assessment of the well integrity for each offset well, a risk assessment for each offset well, and a determination of at-risk offset wells within the FPZ.

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 licences and this is your notice of that decision. A copy 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 licences 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
/lm

Attachments (2): Licences

cc: Christine Savary, Torxen Energy Ltd.
Val Silva, AER
Emily Laratta, AER
SOC Inbox, AER
Field Operations South, AER