

BY E-MAIL ONLY

Calgary Head Office
Suite 1000, 250 – 5 Street SW
Calgary, Alberta T2P 0R4
Canada

www.aer.ca

September 5, 2019

Robert Shields

RE: Vantage Point Resources Inc. (Vantage)
Reclamation Certificate Application No. 397928 (Application)
Statement of Concern No. 31353
Surface Location: 100/07-23-27-2W4M

Dear Mr. Shields:

You are receiving this letter because you filed a statement of concern in respect of the Application. The Alberta Energy Regulator (AER) has reviewed your statement of concern, along with the Application, the applicable requirements, and other submissions or information about the Application. The AER has decided that a hearing is not required under an enactment, or necessary, to consider the concerns outlined in your statement of concern.

In its review of your concerns, the AER considered the following:

- A sour oil well (100/07-23-27-02W4M) was drilled on October 1, 1992 on a sandy hilltop in the Special Areas 3 zone near Oyen, AB.
- Surrounding field, which is approximately 80 acres, is seeded to Altai Wild ryegrass.
- The site was abandoned on August 24, 1994.
- In November 2006, Earthmaster Environmental Strategies Inc. (Earthmaster) completed a Phase I Environmental Site Assessment (ESA) report for this site. The Phase I report recommended a Phase II ESA to assess potential impacts associated with the former facility/wellbore area, the former earthen pit areas, and the drilling waste disposal area as determined by the Compliance Option Two Checklist. Oil was recovered during the Drill Stem Test and no documentation was located regarding the disposal of the recovered fluid. In conclusion an Environmental Site Assessment Phase II ESA was conducted in 2008, in which materials in exceedance of the *Alberta Tier 1 Soil and Groundwater Remediation Guidelines* were located.
- Earthmaster initiated the remediation work at this site in November 2013. Approximately 177 m³ (265.67 tonnes) of hydrocarbon and boron impacted soil was loaded into transport trucks and hauled to the BFI Coronation Landfill near Coronation, AB for disposal. Following landfill

disposal activities the excavation was partially backfilled with overburden and sloped in such a way not to be a safety hazard.

- Post remediation, the licensee tried to source Altai Wild ryegrass in 2013 and could only find seed in Serbia. As such, the site was seeded in 2013 to a mixture of Crested wheatgrass, smooth brome and Alfalfa, which is a typical dryland forage/hay seed mixture.
- Jorgensen Land Management Ltd. (JLM) conducted a detailed site assessment (DSA) on August 14, 2018. The DSA indicates that the conditions of the soil, landscape, and vegetation on the wellsite and the access trail meet all parameters of the *2010 Reclamation Criteria for Wellsites and Associated Facilities for Cultivated lands* (Reclamation Criteria).
- The Reclamation Criteria are applied “to evaluate whether a site has met equivalent land capability.” The DSA indicates that the wellsite and the access trail meet the *Reclamation Criteria*. Accordingly, the AER is satisfied that the wellsite and the access trail have met equivalent land capability.
- With respect to the outcome you are seeking (to have the site re-seeded with Altai Wild ryegrass) there is a high possibility it would result in ecological damage to the sandy soils onsite, which is unreasonable under the circumstances. The current vegetation is healthy, robust and meets the Reclamation Criteria.

As a result, the AER is satisfied that your concerns have been adequately addressed. The AER has issued the applied-for reclamation certificate and this is your notice of that decision. A copy of the reclamation certificate is enclosed.

You may file a regulatory appeal on the AER’s decision to issue the reclamation certificate if you satisfy the elements within sections 36 and 38 of the *Responsible Energy Development Act*. Filing instructions and forms are on our website under Regulatory Appeal Process.

If you have any questions, contact Tracy Kupchenko by e-mail at tracy.kupchenko@aer.ca.

Sincerely,

<Original Signed by:>

Tania De Silva

Director, Oil, Gas & Pipeline, Closure & Liability

Enclosure (1): Reclamation Certificate

cc: John Kanderka, Vantage Point Resources Inc.,
Darlene Abbott , Alternative Dispute Resolution Specialist,

inquiries 1-855-297-8311
24-hour
emergency 1-800-222-6514

Dave Jorgensen, Jorgensen Land Management Ltd.,

AER SOC Coordinator,
AER Medicine Hat Field Centre,