

BY EMAIL ONLY

November 5, 2019

Dale and Heather Sorenson

TIDEWATER MIDSTREAM AND INFRASTRUCTURE LTD. (TIDEWATER)

APPLICATION NO. 1923898

STATEMENT OF CONCERN NO. 31581

Dear Dale and Heather Sorenson:

You are receiving this letter because you filed a statement of concern about Application No. 1923898. The Alberta Energy Regulator (AER) has reviewed your statement of concern, along with the company's 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 statement of concern.

In our review of your concerns, we considered the following:

- The Gas Storage Approval No. 12203 was originally approved in January 2014. The decision to approve an energy activity, including injection and storage of gas into an underground formation, assumes operational compliance with all AER requirements and approval conditions. Tidewater must operate in accordance with the terms and conditions of its approvals as well as all AER operating requirements. Any such contravention would be subject to AER enforcement action, which may include suspension of operations and other remedial action.
- Regarding your concerns about water contamination and the integrity of wells, Tidewater must comply with AER requirements, which are protective of the groundwater sources. All surface casing must be set and cemented to a depth that is below the base of groundwater protection, which will protect even the deepest aquifer. Applicable requirements are set out in AER *Directive 008: Surface Casing Depth Requirements*.

- The offset wellbores have been reviewed and concluded that all the wellbores penetrating the Paddy A Pool have been cased to the surface, and completed in a manner to prevent the fluid migrating into other formations and leaking through those offset wellbores.
- AER well operations specialist has reviewed the 102/16-24-071-07W6/0 well and has deemed it to meet *Directive 051: Injection and Disposal Wells – Well Classifications, Completions, Logging, and Testing Requirements* for a Class III well for gas storage purpose. Your concerns around reservoir integrity were reviewed by an AER geologist, who evaluated the Dimsdale Paddy A gas pool, and has interpreted the pool in question to have good containment.
- Your concerns regarding noise and air pollution are outside the scope of the current application, as this application relates to subsurface activities.
- The subject application does not require a site-specific emergency response plan; however, in accordance with regulatory requirements, Tidewater must comply with their corporate level emergency response plan to handle emergency situations.
- Concerns regarding property value are general in nature, and you have not demonstrated how your property value might be negatively affected by the proposed application.

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 approval and this is your notice of that decision. A copy of the approval 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 approval if you meet the criteria within section 36 of the *Responsible Energy Development Act*. Filing instructions and forms are on our website under Regulatory Appeal Process.

If you have any questions, contact Yvonne Chow at Yvonne.Chow@aer.ca.

Sincerely,

<Original signed by>

Rob Cruickshank
Director, Business Process

Enclosure (1): **(Approval)**

cc: Patrick Gratton, Tidewater Midstream and Infrastructure Ltd.
Jason Benoit, Benoit Regulatory Compliance Inc.
AER SOC Assessor
AER Grande Prairie Field Centre