

BY EMAIL ONLY

November 5, 2019

Mike and Faye Partsch

TIDEWATER MIDSTREAM AND INFRASTRUCTURE LTD. (TIDEWATER)

APPLICATION NO. 1923898

STATEMENT OF CONCERN NO. 31574

Dear Mike and Faye Partsch:

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:

- Application No. 1923898 is an application to amend an already approved Scheme No. 12203E (Application No. 1911321). Your concerns have been adequately addressed through a previous decision on Application No. 1911321 whereby you submitted SOC 31283. The concerns raised in that matter were substantially the same as the concerns raised respecting this application. The AER had previously considered the concerns you raised, dismissed your concerns in writing, and you were provided reasons for those decisions.
- 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.

- 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 leaks and gas migration 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.
- The subject application is to also lower the Maximum Wellhead Injection Pressure (MWIP) from 17500 kPa to 15000 kPa. By lowering the MWIP, this can further decrease the over pressure risk of the formation.

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