

March 7, 2022

By email only

Peter Doyle

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RE: Reconsideration and Suspension under Section 42 of the *Responsible Energy Development Act*
Chinook Project: CEP 190006, Deep Drill Permit C 2020-3, TFA 203364, TDL 00475308

Dear Sir:

The Alberta Energy Regulator (AER) has received the following direction from the Minister of Energy, in *Ministerial Order 002/2022, Coal Development Direction*, dated March 4, 2022, pursuant to section 67 of the *Responsible Energy Development Act* (REDA):

- With the exception of lands subject to an advanced coal project or active approval for a coal mine, all approvals (as defined by REDA) for coal exploration or development on Category 3 and 4 lands in the Eastern Slopes shall be suspended and no new applications will be accepted until such time as written notice is given by the Minister of Energy and/or Minister of Environment and Parks.
- Nothing in this direction restricts abandonment and reclamation or security and safety activities at active coal mines or related to coal exploration.

The Ministerial Order defines an ‘advanced coal project’ as one for which the proponent has submitted a project summary to the AER for the purposes of determining whether an environmental impact assessment is required. The Ministerial Order defines an ‘active approval for a coal mine’ as a licence under the *Coal Conservation Act*.

The AER has issued to Montem Resources Alberta Operations (Montem) CEP 190006, Deep Drill Permit C 2020-3, TFA 203364, TDL 00475308 (collectively, the Approvals) for the Chinook Project, which is located on Category 4 lands.

Montem has not submitted a project summary for the Chinook Project, nor does it hold a licence under the *Coal Conservation Act* for the Project. Accordingly, the Chinook Project is neither an advanced coal project nor is it the subject of an active approval for a coal mine as those terms are defined in the Ministerial Order.

The AER has authority to reconsider its decisions pursuant to section 42 of REDA. That section states:

The Regulator may, in its sole discretion, reconsider a decision made by it and may confirm, vary, suspend or revoke the decision.

The AER will only exercise its discretion to reconsider a decision made by it under the most extraordinary circumstances where it is satisfied there are exceptional and compelling grounds to do so. The AER has determined there are extraordinary circumstances present here. Subsection 67(2) of REDA provides that the AER shall, within the time period set out in a ministerial order, comply with the directions given under section 67.

Given the circumstances outlined above, the AER considers that there exist exceptional and compelling grounds, and the AER has decided to conduct a reconsideration of the Approvals, without a hearing.

Decision on Reconsideration

Having reviewed and considered *Ministerial Order 002/2022*, the AER is satisfied that it is clearly within the scope of section 67(1) of REDA. The suspension of all new approvals for coal exploration and development on Category 3 and 4 lands is a clear priority of the Government of Alberta, which the AER has been directed to follow in carrying out its powers, duties and functions in this area of its jurisdiction. The direction is also aimed at ensuring the AER's regulation of coal exploration and development is consistent with the programs, policies and work of the Government of Alberta in respect of energy resource development, public land management, environmental management and water management. The Government of Alberta has decided to halt new coal exploration and development in the Eastern Slopes until effective land-use planning for the area is completed. This direction is consistent with the Government of Alberta's programs, policies and work to implement the Coal Policy Committee's recommendations.

For the reasons above, the AER has decided to suspend the Approvals. Effective immediately, all activity previously authorized by the Approvals, other than abandonment and reclamation activities, is hereby suspended until the AER provides further written notice.

Montem remains responsible for maintaining the safety and security of all the sites and associated activities authorized by the Approvals during the suspension.

Sincerely,

<Original signed by>

Laurie Pushor,
President and CEO

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