

**Via Email**

March 3, 2023

**Calgary Head Office**  
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Canada

[www.aer.ca](http://www.aer.ca)

Heather and Dale Sorenson

Tidewater Pipestone Infrastructure Corp.

**Attention: Heather Sorenson**

**Attention: Jenn Resch**

Dear Mesdames:

**RE: Request for Regulatory Appeal by Heather and Dale Sorenson  
Tidewater Pipestone Infrastructure Corp. (Tidewater)  
Well Licence Extension Application Nos.: 31926738, 31926925, 31926942, 31926960, and  
31926966 (Applications)  
Licence Nos.: 0486106, 0486107, 0486103, 0486104, 0486105 (Well Licences)  
Locations: 8-25-70-7-W6  
Request for Regulatory Appeal No.: 1940925**

The Alberta Energy Regulator (**AER**) has considered Heather and Dale Sorenson's request under section 38 of the *Responsible Energy Development Act* (**REDA**) for a regulatory appeal of the AER's decision to approve the Well Licence extension applications (**Request**). The AER has reviewed the submissions from Heather and Dale Sorenson; Tidewater did not file any submissions in response to the Request.

For the reasons that follow, the AER has decided that Heather and Dale Sorenson are not eligible to request a regulatory appeal in this matter. Therefore, the Request is dismissed.

### **Background**

On March 23, 2017, Tidewater submitted its original application(s) for the Well Licences as part of its Dimsdale Gas Storage Project multi-well padsite application (**Gas Storage Project**).

In May 2017, the AER received several statements of concerns (**SOCs**) from area stakeholders related to the Gas Storage Project, including SOC's from Heather and Dale Sorenson (**SOCs 30611, 30711 and 30713**)

On October 31, 2017, the AER issued correspondence to Heather and Dale Sorenson advising that a public hearing was not required or necessary to consider the concerns raised in their SOCs, and that the applied for approvals had been issued to Tidewater<sup>1</sup>.

On December 1, 2017, Heather and Dale Sorenson requested a regulatory appeal of the AER's decision to issue the approvals to Tidewater (**2017 Request**). The 2017 Request was considered and subsequently dismissed on May 11, 2018<sup>2</sup>.

In addition to the 2017 Request, the AER has received, considered, and dismissed numerous SOCs and requests for regulatory appeal filed by Heather and Dale Sorenson in relation to the Gas Storage Project, including but not limited to the following:

- Requests for Regulatory Appeal Nos. 1849419, 1880296, 1881743 (submitted 2016 & 2017, respectively) and dispositioned on June 23, 2017
- Requests for Regulatory Appeal Nos. 1921585 (filed May 21, 2019), 1934734 (filed October 14, 2021), 1935285 (filed November 29, 2021)

### **Reasons for Decision**

The applicable provision of REDA in regard to regulatory appeals, section 38, states:

38(1) An eligible person may request a regulatory appeal of an appealable decision by filing a request for regulatory appeal with the Regulator in accordance with the rules. [emphasis added]

The term “eligible person” is defined in section 36(b)(ii) of REDA to include:

a person who is directly and adversely affected by a decision [made under an energy resource enactment]...

### Appealable Decision

The granting of the Applications are appealable decisions, as the Well Licences extension applications were issued under the *Oil and Gas Conservation Act* – an energy resource enactment – without a hearing.

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<sup>1</sup> AER Letter to Heather and Dale Sorenson – Statements of Concern Nos. 30611, 30711, and 30713, dated October 31, 2017

<sup>2</sup> AER Disposition Letter – Request for Regulatory Appeal No. 1903575, dated May 11, 2018

### In Accordance with the Rules

The Request relating to the Applications was filed in accordance with the time requirements set out in Section 30(3)(m) of the Rules. Therefore, the totality of the Request was filed in accordance with the Rules.

### Eligible Person

To be eligible for a regulatory appeal, Heather and Dale Sorenson must demonstrate that they may be directly and adversely affected by the AER's decision to issue the Well Licence extension applications. The concerns put forward in the Request include but are not limited to:

- Safety in the event of an incident, including the absence of information regarding an emergency plan;
- Impacts on groundwater sources and water wells;
- Noise impacts;
- Air emissions;
- Impacts on reservoir integrity, including after effects of earthquakes;
- Spacing permits; and
- Impacts on property value.

Although provided in differing degrees of detail, the concerns and associated impacts submitted in the Request are substantially the same as those raised previously in the SOC's filed by Heather and Dale Sorenson with respect to Tidewater's Gas Storage Project, the most recent of which being applications for well licence amendments in 2021. In the Disposition Letter related to the request for regulatory appeal of the SOC, dated less than a year ago - April 26, 2022 - the AER advised that the request had not met the threshold to demonstrate Heather and Dale Sorenson may be directly and adversely affected by the decision to approve the extension of the Well Licences as they had not provided any additional information in the request for regulatory appeal<sup>3</sup>.

The AER would like to take this opportunity to remind the parties that initially six wells were approved and in March 2017, Tidewater applied for an Approval under Directive 051 to allow one well to be used as an injector for sweet gas disposal into the depleted Dimsdale Paddy A Pool, leaving five wells currently not "spudded". The current Applications do not involve the granting of additional well licences or changes to the previously approved infrastructure, nor do they involve the initiation of bitumen production; they are

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<sup>3</sup> AER Disposition Letter - Request for Regulatory Appeal No. 1935285, dated April 26, 2022

expiration extensions for the previously approved **five** Well Licences. Accordingly, the reasons provided in the AER's previously issued decisions continue to apply.

With respect to the safety concerns raised in the Request, the AER would like to take this opportunity to provide a further reminder to the April 2022 Disposition Letter that Tidewater has met the requirements as set out in *Directive 071: Emergency Preparedness and Response Requirements for the Petroleum Industry* by submitting to the AER that it has a corporate Emergency Response Plan in place to deal with an emergency should one occur. As a reminder, there is no H<sub>2</sub>S associated with Tidewater's Gas Storage Project as Tidewater's Gas Storage Project includes injecting sweet gas to be stored within the porous rock: the project involves subsurface approvals, wells, pipelines, and facilities. The Dimsdale Paddy A is a depleted reservoir made up of approximately 10 meters thick porous rock, located approximately 1,300 meters below the surface. Natural gas had previously been produced from the reservoir, and prior to being depleted due to production, the original reservoir pressure was 10,485 kPa. The current applications to extend the Well Licences have made no changes to that effect; they relate only to the extension of expiration dates of the previously approved five Wells.

Regarding the earthquake information provided, Heather and Dale Sorenson have provided general information about the earthquakes which occurred in Reno, Alberta. This information was general in nature and did not establish how those events may affect the Dimsdale Paddy A reservoir or the surrounding area. The AER has determined that it would be unlikely the event that occurred in Reno, Alberta would translate 200 km away and have had any effect on the Dimsdale Paddy A reservoir.

The AER notes that Heather and Dale Sorenson have again reiterated their previously raised concerns regarding sound, odour, and water contamination. The reasons provided by the AER in the September 16, 2021 Decision Letter and the April 26, 2022 letter, including the Noise Impact Assessment completed by Motive Acoustics in March 2022, which found that the predicted overall sound level was within the permissible limits under *Directive 038: Noise Control*, remain unchanged as the current applications relate only to extension of the expiration dates of the Wells<sup>4</sup>. Similarly, the concerns regarding air pollution were addressed in the September 16, 2021 Decision Letter which clarified Tidewater's required compliance under *Directive 060: Upstream Petroleum Industry Flaring, Incinerating, and Venting*. The AER further notified the parties in its 2017 disposition letter that the Grande Prairie Field Center (GPFC) had advised that no well water complaints had been received as of the date of the letter. No information to the contrary has been

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<sup>4</sup> AER Disposition Letter - Request for Regulatory Appeal No. 1935285, dated April 26, 2022

provided to the AER to date. Accordingly, these Applications do not result in any new activities that could lead to direct and adverse impacts.

The concerns submitted surrounding decreased property value due to traffic, noise, and safety have also been addressed and discussed in the previous Decision Letters related to your SOC's as well as Disposition letters related to requests for regulatory appeal. The submissions received for the current Request have not provided any information or evidence to establish that granting an extension of the expiry date for these Wells would lead to a direct and adverse impact.

Regarding stakeholder engagement on behalf of Tidewater, the AER acknowledges Tidewater's confirmation that it had notified the original SOC filers, including Heather and Dale Sorenson, of its intent to extend the expiration date of the five Well Licences for an additional year. The AER also recognizes that no information confirming the expected filing dates was provided to the parties and there was no opportunity for any interested parties to engage in the SOC process, although the Sorensons have availed themselves of the request for regulatory appeal process under REDA. As a reminder, Tidewater has been directed in previous AER decisions related to the subject gas storage project that it must bolster its participant engagement program and to file all future applications non-routinely.

The AER does not find that the current Request contains any new or additional information demonstrating Heather and Dale Sorenson may be directly and adversely affected by the decision to allow the extension of the Well Licences for another year. As there has been no establishment of a direct and adverse affect by this extension, the AER has determined Heather and Dale Sorenson are not an eligible person for the purposes of section 36(b)(i) and therefore are not eligible to request a regulatory appeal of the Well Licence extensions.

Sincerely,

*<Original signed by>*

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Anita Lewis  
Senior Advisor, Liability Strategy

*<Original signed by>*

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Isaac Amponsah  
Senior Advisor, Regulatory Enhancement

*<Original signed by>*

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Patrick Marriott  
Senior Advisor, Water