

Via Email

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March 3, 2023

www.aer.ca

Mike and Faye Partsch

Tidewater Pipestone Infrastructure Corp.

Attention: Mike Partsch

Attention: Jenn Resch

**RE: Complaint and Request for Regulatory Appeal by Mike and Faye Partsch
Tidewater Pipestone Infrastructure Corp. (Tidewater)
Well Licence Extension Application Nos.: 31926738, 31926925, 31926942, 31926960, 31926966
(Applications)
Well Licence Nos.: 0486103, 0486104, 0486105, 0486106, 0486107 (Well Licences)
Location: 8-25-71-7-W6
Request for Regulatory Appeal No.: 1941188 (Regulatory Appeal)**

The Alberta Energy Regulator (**AER**) has considered the request from Mike and Faye Partsch 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 provided by Mike and Faye Partsch; Tidewater did not file any submissions in response to the Partsch Request.

For the reasons that follow, the AER has decided that Mike and Faye Partsch 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 an SOC from Mike and Faye Partsch (**SOC 30715**).

On October 31, 2017, the AER issued correspondence to Mike and Faye Partsch advising that a public hearing was not required or necessary to consider the concerns raised in SOC 30715 and that the applied for approvals had been issued to Tidewater¹.

On November 30, 2017, Mike and Faye Partsch 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, 2018².

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

- Requests for Regulatory Appeal Nos. 1849417, 1859627, 1879309, (submitted 2015, 2016 & 2017, respectively) and dispositioned on June 23, 2017
- Requests for Regulatory Appeal Nos. 1926093 (filed November 21, 2018), 1919481 (filed March 1, 2019), 1921329 (filed May 22, 2019), 1925635 (filed November 7, 2019), 1934382 (filed September 23, 2021), 1935286 (filed November 29, 2022)

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]...

¹ AER Letter to Mike and Faye Partsch – Statements of Concern Nos. 30715, 30593, 30718 and 30556, dated October 31, 2017

² AER Disposition Letter – Request for Regulatory Appeal No. 1903569, dated May 11, 2018

Appealable Decision

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

In Accordance with the Rules

The complaint and Request relating to the Applications was filed outside of the required timeline set out in Section 30(3)(m) of the *AER Rules of Practice (Rules)* and Mike and Faye Partsch were requested to and did provide additional information to request an extension of the deadline. No response was received by Tidewater opposing the extension and the extension was granted. Therefore, the totality of the Request is considered to have been filed in accordance with the Rules.

Eligible Person

To be eligible for a regulatory appeal, Mike and Faye Partsch must demonstrate that they may be directly and adversely affected by the AER's decision to issue the Well Licences. The concerns put forward in the Request include but are not limited to:

- Testing and impacts on the integrity of the reservoir;
- Further drilling and number of wells at the gas storage site; and
- Stakeholder engagement.

Although not stated with the same degree of detail, the concerns raised and the impacts have submitted in this Request are substantially the same as those raised previously in the SOCs and requests for regulatory appeals Mike and Faye Partsch filed with respect to Tidewater's initial subsurface, facility and pipeline applications, the most recent of which being applications to extend the Well Licences in 2021. In its February 2019, June 2019, August 2019, October 2020 decisions and April 2022 decisions, the AER found that Mike and Faye Partsch had not demonstrated they may be directly and adversely affected by the applications³.

In the previous decision letters, the AER addressed the concerns submitted related to testing and the integrity of the reservoir, stating the well met integrity requirements for injection and did not change the

³*AER Disposition Letter – Request for Regulatory Appeal No. 1916093, dated Feb. 21, 2019;*
AER Letter to Mike and Faye Partsch – Statement of Concern No. 31283, dated Feb. 27, 2019;
AER Disposition Letter – Request for Regulatory Appeal No. 1919482, dated Jun. 07, 2019;
AER Disposition Letter – Request for Regulatory Appeal No. 1921329, dated Aug. 19, 2019;
AER Disposition Letter – Request for Regulatory Appeal No. 1925635, dated Oct. 22, 2020;
AER Disposition Letter – Request for Regulatory Appeal No. 1935286, dated April, 26, 2022

maximum allowable pressure under the original gas storage scheme approval or exceed the initial pressure in the reservoir. The responses also provided detailed information regarding the considerations and technical information which went into the initial approval. As the extension approvals that are subject to this Request are related to the same Well Licences, these reasons continue to apply.

With respect to the concerns submitted surrounding further drilling and the number of wells approved, 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 were made to extend the existing Well Licences for the Gas Storage Project, they do not involve the granting of additional licences or changes to the previously approved infrastructure nor do they involve the initiation of bitumen production.

Regarding stakeholder engagement on behalf of Tidewater, the AER acknowledges Tidewater’s confirmation that it had notified the original SOC filers, including Mike and Faye Partsch, 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 Mike and Faye Partsch 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 for regulatory appeal contains any additional information demonstrating you may be directly and adversely affected by the decision to allow the extension of the Well Licences. Therefore, as Mike and Faye Partsch have been determined to not meet the criteria of an eligible person as prescribed by section 36(b)(ii) of REDA, the Request is denied.

Sincerely,

<Original signed by>

Anita Lewis
Senior Advisor, Liability Strategy

<Original signed by>

Isaac Amponsah
Senior Advisor, Regulatory Enhancement

<Original signed by>

Patrick Marriott
Senior Advisor, Water