



Calgary Head Office

📍 Suite 1000, 250 – 5 Street SW
Calgary, Alberta T2P 0R4

tel 403-297-8311

aer.ca

By email only

January 29, 2026

Bruce and Avis Friedel

Canadian Natural Resources Limited

Attention: Heather Sampson

Dear Parties:

**RE: Request for Regulatory Appeal by Bruce and Avis Friedel (Friedels)
Canadian Natural Resources Limited (Canadian Natural)
Application Nos.: 33411576 and 1957290
Licence Nos.: F54475, 0519648, 0519649, 0519650, 0519651 (Licences)
Location: 13-28-062-06 W4M
Request for Regulatory Appeal No.: 1959155**

The Alberta Energy Regulator (AER) has considered the Friedels' request under section 38 of the *Responsible Energy Development Act* (REDA) for a regulatory appeal of the issuance of the Licences to Canadian Natural on August 13, 2025 (the Decision). The AER has reviewed the Friedels' submissions and Canadian Natural's submissions.

For the reasons that follow, the AER has determined that the Friedels are not for the purposes of REDA an "eligible person" to request a regulatory appeal in this matter. Therefore, the request for a regulatory appeal is dismissed.

Background and Process

On March 19, 2025, Canadian Natural submitted applications to the AER, under the provisions of the *Oil and Gas Conservation Act*, for a crude bitumen production multi-well pad and associated battery.

The AER registered Canadian Natural's applications as application nos. 33411576 and 1957290 (the Applications).

On April 18, 2025, the AER received a statement of concern (SOC) from the Friedels in relation to the Applications. The Friedels' SOC expressed concerns regarding Canadian Natural departing from historical operational protocols and undertaking recent intensive development involving heavy oilfield truck traffic in their area. The SOC expressed concerns regarding the heavy oilfield traffic adjacent to the Friedels' diversified livestock operation.

On August 13, 2025, the AER issued correspondence to the Friedels, advising that the AER had approved the Applications and issued the Licences to Canadian Natural.

📞 **Inquiries** 1-855-297-8311

📞 **24-hour emergency** 1-800-222-6514

📧 inquiries@aer.ca

On September 12, 2025, the Friedels submitted their request for regulatory appeal of the Decision (Request). The Request included a copy of the Friedels' SOC filed in response to the Applications and submissions as to why they considered that the AER did not properly consider their SOC when making the Decision.

Canadian Natural filed their response to the Friedels' Request on October 8, 2025. Canadian Natural responded to the concerns raised by the Friedels and asked the AER to dismiss the Request.

On October 29, 2025, the Friedels filed further reply submissions on why the Request should be allowed and for the matter to be set down for a hearing.

We considered all of the submissions carefully. We provide the below summary and reasons to assist the reader in understanding our decision to dismiss the Request. Any omission of any detail does not mean it was not considered in making our decision.

Friedel Request

The Friedels' Request raised a number of concerns, including the following:

- That the AER's SOC staff made no effort to review or consider the concerns raised in their SOC;
- That, in reviewing the SOC, the AER should have considered a decision with operational protocols or "guidelines" for local operators made by the AER's predecessor, the Alberta Energy and Utilities Board (AEUB), following a hearing (or hearings) held over 25 years ago on a reduced spacing application;
- Canadian Natural is refusing to follow rigorous historical operational protocols that have been followed by operators in the area for the past 25 years, including regarding curfew hours, oilfield traffic routes, seasonal timing for construction and drilling, and dust control;
- They have suffered and will continue to suffer economic losses to their diversified livestock operations, as the result of
 - noise from drilling and oilfield construction and production equipment causing stress to their diversified livestock,
 - cumulative effects of increased oilfield activity in the area, most notably oilfield traffic, causing increased livestock stress,
 - disturbed bison thundering out of the standing corn,
 - lack of safety to grow corn for grazing, and
 - water well failure.

Canadian Natural Response Submission

In its October 28, 2025 response submission, Canadian Natural advised that it has been in conversation with the Friedels since September 2024 to attempt to address their concerns. Canadian Natural cited commitments it made during the SOC process and discussions after the Friedels initially raised concerns. Canadian Natural reiterated those commitments, and identified additional measures that it would take to address the Friedels' concerns. Those commitments include:

- Continue pursuing the possibility of constructing an infield road to divert traffic from Range Road 464 so long as agreement with other landowners is reached;
- Comply with the historic protocol for a trucking curfew in the area, except with hours extended from 8:00 a.m. -5:00 p.m. to 7:00 a.m. -7:00 p.m., noting that Canadian Natural typically runs its trucking operations on a 24/7 schedule as Canadian Natural's processing facilities are designed to operate on that schedule;
- Continue using designated trucking routes as set and regulated by the local authority;
- Continue to work with the Friedels as it relates to scheduling its construction and drilling activities around the seasonality of the Friedels' diversified livestock operations;
- Continue to work with the local authority to apply dust control measures on area roads;
- Identified the need for a pipeline at 12-29-062-06W4 to conserve solution gas and ultimately reduce venting from this site;
- Install hospital-grade exhaust silencers, noise attenuation shacks incorporating acoustically designed radiator silencers and rear building vent silencers, and hydraulic wellhead drivers; and
- Comply with AER requirements relating to groundwater protection, as well as applying its internal process of testing water wells within 500m of drilling activities and working with stakeholders who identify issues with their water wells to investigate potential causes.

Canadian Natural further submitted the following in response to the Friedels' concerns:

- Regarding noise concerns, Canadian Natural's noise impact assessment confirmed that it would be compliant with AER *Directive 038: Noise Control*. It submitted also that the "back up beepers" deployed oilfield construction and production equipment, and which the Friedels have identified as a concern, are in place for safety reasons and legislated by Occupational Health and Safety requirements;
- Canadian Natural adheres to Government of Alberta policy regarding land use development and cumulative effects;
- Regarding historic protocols cited by the Friedels, Canadian Natural submits that the AEUB decisions referenced by the Friedels may be identified as AEUB Decision 98-02 and AEUB Decision 98-05. It

submits that those decisions relate to primary scheme approvals and do not impose any binding conditions to rigidly restrict nighttime traffic in the area. The protocols are voluntary, but, nonetheless, Canadian Natural will follow the protocols where is it reasonably able to do so; and

- There is no direct and clear evidence that Canadian Natural's operations in the area have caused economic losses as alleged by the Friedels, and in any event, AER is not the appropriate authority to deal with compensation, if that is what the Friedels are seeking.

Friedel Reply Submission

In their October 29, 2025 reply submission, the Friedels confirmed the completion of an infield road to the west which has helped, but not eliminated traffic concerns. They added that:

- Canadian Natural pays lip service to, but does not in fact follow, historical operational protocols;
- They lost over a \$250,000 in one season from the impact of Canadian Natural's activities that they say is provable by the Friedels keeping extensive production records not matched throughout all of North America; Their relative/neighbour who experienced blackleg outbreak did not get an admission from Canadian Natural that the outbreak was their fault, and
- Another company operating in the area was quick to admit fault and make economic restitution for damages the Friedels say they suffered as the result of development;
- If Canadian Natural continues its oilfield developments as it did in the last 12 months, the activities risk putting the Friedels out of business; and
- The Friedels' requests for dust control and signage on impacted traffic routes have been ignored and municipal traffic enforcement is not working.

Legislative Provisions

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.

The term "appealable decision" is defined in section 36(a)(iv) of the REDA to include:

A decision of the Regulator that was made under an energy resource enactment, if that decision was made without a hearing

The term "eligible person" is defined in section 36(b) of REDA to include a person who is directly and adversely affected by a decision made under an energy resource enactment.

Reasons for Decision

The Friedels' Request is with respect to a decision made under an energy enactment without a hearing. The Decision is therefore an appealable decision. Further, the Friedels followed the *Alberta Energy Regulator Rules of Practice* in making the Request.

The remaining consideration under REDA, section 38, is whether the Friedels are an "eligible person" for the purpose of requesting a regulatory appeal. In order to be an eligible person, the Friedels must demonstrate that they are or may be directly and adversely affected by the Decision to issue the Licences.¹

To demonstrate that they may be directly and adversely affected, a requester needs to prove a reasonable probability or potential of harm from the decision in question.² The requester does not need to prove that a perceived risk is a certainty or even likely,³ but they must adduce evidence to show a degree of location or connection between the work proposed and the requestor's interests.⁴

The submissions do not persuade us that the Friedels may be directly and adversely affected by the Decision to issue the Licences.

At the outset we note that the applications made by Canadian Natural are applications for energy resource activities that are neither new nor novel to this part of Alberta; they are activities within with the mandate of the AER.⁵

The Friedels submitted that Canadian Natural has taken over energy assets in their area and is not operating them in a manner consistent with historic operational protocols or guidelines as other operators have done. The Friedels' cite one or more AEUB hearings held in or around 1998 as requiring Canadian Natural to follow such operational protocols. The Friedels did not provide a reference nor copy of any particular AEUB decision, however Canadian Natural proposed that the decisions the Friedels may be referring to are AEUB Decision 98-02⁶ and/or AEUB Decision 98-05.⁷ In their reply submission, the Friedels reference AEUB Decision 98-02.

We note that AEUB Decisions 98-02 and 98-05 were both issued on applications relating to primary recovery scheme approvals and reduced spacing. Decision 98-02 outlines certain undertakings by the applicant, Numac Energy Inc., on topics including testing water wells, truck traffic, and seasonal operations, pad changes over time, and site lines described in the Hydrogeologic Report and in the Elk Report.⁸ We note that

¹ REDA, s 36(b)(ii).

² *Linda Court v Alberta Environmental Appeal Board*, 2003 ABQB 456 at para 71.

³ *Kelly v Alberta (Energy Resources Conservation Board)*, 2011 ABCA 325 at para 26.

⁴ *Ibid*; *O'Chiese First Nation v Alberta Energy Regulator*, 2015 ABCA 348 at paras 21, 43 citing *Dene Tha' First Nation v Alberta (Energy and Utilities Board)*, 2005 ABCA 68 at para 14.

⁵ REDA, s 2(1).

⁶ [AEUB Decision 98-02: Numac Energy Inc., Application to Amend Approval NO. 7936 for Reduced Spacing - Wolf Lake and Bonnyville Sectors](#) (January 25, 1998) [Decision 98-02].

⁷ [AEUB Decision 98-05: Canadian Natural Resources Limited, Application for a Primary Recovery Scheme for Reduced Spacing - Bonnyville and Wolf Lake Sectors](#) (March 26, 1998).

⁸ *Decision 98-02* at pp 8 and 28, Appendix 2.

these undertakings were not made conditions of an approval, which indicate that they were made generally subject to best efforts and anticipated some change to area operations over time. We accept also on their face Canadian Natural's representations as to their ongoing commitments to make best and reasonable efforts to maintain historic operational protocols.

Further, we have not been provided with evidence demonstrating that any of the operational protocols referred to by the Friedels arise from private agreements between the Friedels and Canadian Natural. Moreover, the AER is not the proper authority to adjudicate private operational agreements between parties.

The Friedels provided information to enumerate what they say they have experienced in terms of economic losses to their diversified livestock as the result of increased oilfield development in their area. They provided this information through a combination of their original SOC, the Request, and in their October 29, 2025 reply submission. However, we cannot determine based on the evidence before us that the Friedels' economic losses necessarily resulted from Canadian Natural activities in the area, as opposed to other activities and/or operators in the area. Nor is that a matter properly before us on this request for regulatory appeal of the Decision. Moreover, there is insufficient evidence demonstrating that the Decision is directly connected to the Friedels' concerns of economic losses to its diversified livestock operation.

We note that the Friedels provided a list of economic losses they attribute to the period of summer 2024 to August 2025. That period precedes the issuance of the Licences on August 13, 2025, and there is insufficient evidence showing any impact of the Decision on any asserted losses. We have not been provided with sufficient evidence as to how the Licences in question may directly and adversely affect the Friedels' diversified livestock operation, aside from the general statement that they authorize activities "adjacent" to the diversified livestock operation.

The Friedels identify some activities that they say have an impact on their diversified livestock operation, however we find that their concerns about traffic, dust, noise, water well failure, and the cumulative effects of development are aimed at oilfield development in the area generally, rather than these specific Licences.

The Friedels cite traffic, and the resulting dust and noise, on roads adjacent to their diversified livestock operation as a central concern for their livestock health. However, they do not demonstrate how these concerns connect specifically to these Licences. Further, concerns with traffic and public road use should be directed to Alberta Transportation or the appropriate local municipal authorities, as regulators with jurisdiction over those matters. Such concerns are not properly before the AER on a request for regulatory appeal.

Regarding noise concerns about drilling and operations, we find the Friedels have not demonstrated that noise resulting from the Licences will directly and adversely affect the Friedels or their diversified livestock. Nevertheless, we note that Canadian Natural has committed to measures that include hospital-grade exhaust silencers, noise attenuation shacks incorporating acoustically designed radiator silencers and rear building vent silencers, and hydraulic wellhead drivers. Canadian Natural is also required to comply with *Directive 038: Noise Control*, and has completed a noise impact assessment. Concerns regarding noise may be reported to

the Energy and Environmental 24-hour Response Line at 1-800-222-6514. However, the matter of a future or ongoing non-compliance with AER rules or directives is not properly addressed through a hearing on a request for a regulatory appeal.

We are not convinced based on the information provided that the Friedels' water well failure is due to Canadian Natural operations, or directly connected to the Decision to issue the Licences. We note that Canadian Natural has committed to continuing to test water wells within 500m of its drilling activities and to working with stakeholders who identify issues with their water wells to investigate potential causes. Further, Canadian Natural is required to operate in compliance with all AER rules and directives applicable to groundwater protection. A person may make a complaint regarding a company's compliance with AER rules and directives; however the matter of a future or ongoing non-compliance is not properly addressed through a hearing on a request for a regulatory appeal.

The Friedels also raise concerns about cumulative effects of development in their area. The Government of Alberta manages cumulative effects on the environment on a regional basis through regional plans made under the *Alberta Land Stewardship Act*. Concerns regarding the management of cumulative effects should be directed to the Government of Alberta Land Use Secretariat.

Conclusion

For the reasons set out above, we conclude that the Friedels have not established that they may be directly and adversely affected by the Decision to issue the Licences, and therefore they have not demonstrated that they are eligible to request a regulatory appeal. A number of the Friedels' concerns also relate to matters outside our jurisdiction to remedy on a regulatory appeal.

Sincerely,

<Original signed by>

Dustin Shauer

Senior Advisor, Closure Policy

<Original signed by>

Steve Thomas

Director, Oil & Gas Subsurface, Waste and Storage

<Original signed by>

Rob Borth

Senior Advisor, Innovation and Industry Performance

cc: Sylvia Ulrich, AER
Darlene Abbott, AER

 **Inquiries** 1-855-297-8311

 **24-hour emergency** 1-800-222-6514

 **inquiries@aer.ca**