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By email only

October 16, 2026

SEOL Energy Inc.

Attention: Samson Effiong

Alberta Energy Regulator – Regulatory Compliance Branch

Attention: Shauna Gibbons, Counsel

Dear Parties:

**RE: Request for Regulatory Appeal by SEOL Energy Inc. (SEOL)
Alberta Energy Regulator – Regulatory Compliance Branch (Regulatory Compliance)
Order issued to SEOL Under sections 22, 26.2, and 27 of the *Oil and Gas Conservation Act (OGCA)*,
sections 3.012 and 3.013 of the *Oil and Gas Conservation Rules (OGCR)*, sections 22.1 and 23 of
the *Pipeline Act*, and sections 137, 140, and 241 of the *Environmental Protection and Enhancement
Act (EPEA)* on December 10, 2025 (the December Order)
Location: various
Request for Regulatory Appeal No.: 1960894 (Request)**

The Alberta Energy Regulator (AER) has considered SEOL's Request under section 38 of the *Responsible Energy Development Act (REDA)* for a regulatory appeal of the December Order. The AER has also reviewed SEOL's other submission and the submissions made by Regulatory Compliance.

For the reasons that follow, the AER has decided to dismiss the Request.

Section 38 of *REDA*, 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.

Also relevant to consideration of a request for regulatory appeal is section 39(4) which permits the AER to dismiss all or part of a request for regulatory appeal:

- (a) if the Regulator considers the request to be frivolous, vexatious or without merit,
- (b) if the request is in respect of a decision on an application and the eligible person did not file a statement of concern in respect of the application in accordance with the rules, or
- (c) if for any other reason the Regulator considers that the request for regulatory appeal is not properly before it.

I. Background

On September 10, 2025, the AER issued an order to SEOL directing it to abandon certain pipelines, wells and facilities (the September Order).

On December 10, 2025, the AER issued a further order, the December Order, to SEOL. The December Order included clauses which:

- 1) suspended certain well, facility and pipeline licenses (SEOL Licenses);
- 2) required SEOL to begin abandonment of the wells, facilities and pipelines to which the SEOL Licences related within six months of the date the December Order was issued; and
- 3) required SEOL to submit to the AER for approval, SEOL's plan for reclamation of the lands described in the December Order.

On January 9, 2026, SEOL filed the Request seeking a regulatory appeal of the December Order. At no time was a request for regulatory appeal of the September Order submitted to the AER.

During the initial review of the Request, the AER identified that the Request may have been filed outside of some of the applicable filing timelines set out in section 30(3) of the *AER Rules of Practice (Rules)* for filing requests for regulatory appeal of certain types of orders.¹ After providing SEOL and Regulatory Compliance with the opportunity to make submissions on this issue, the AER decided to proceed with consideration of the Request.²

On March 20, 2026, the AER requested submissions from the parties on whether the Request should be granted and set down for a hearing.

On April 8, 2026, the AER issued a further order (the April Order) amending the December Order by removing the license suspension clause (Clause 1) contained in the December Order.

On April 9, 2026, the AER received a submission from SEOL dated April 8, 2026 (SEOL's April Submission). While not filed in accordance with the schedule provided to the parties for filing submissions, the AER accepted and considered SEOL's April Submission.

On April 10, 2026, the AER received Regulatory Compliance's submission opposing the Request (RC's Reply Submission).

SEOL did not file a submission responding to RC's Reply Submission.

¹ Orders issued under sections 140 of *EPEA*, section 27 of the *OGCA* and section 23 of the *Pipeline Act* are subject to a 7-day timeline for filing of requests for regulatory appeals as set out in subsections 30(3)(a), (j), and (l) of the *Rules*.

² AER's decision on Preliminary Issue dated March 19, 2026.

On July 31, 2026, a letter was sent to Regulatory Compliance and to SEOL asking for additional information arising from SEOL's and Regulatory Compliance's submissions. Specifically, three questions were posed in the letter (collectively the July 31 Questions):

1. What, if any, basis, factual and legal, is there for concluding that the Appeal Request is moot?
2. What is the significance for the Appeal Request of the March 10, 2026 Order referenced in RC's April 10, 2026 submission?
3. What is the significance for the Appeal Request of the information provided in SEOL's April 8, 2026 submission?

On August 6, 2026, Regulatory Compliance notified the AER and SEOL that in replying to the July 31 Questions, it intended to rely upon certain submissions related to another proceeding (RC's Interim Submission).

On August 13, 2026, Regulatory Appeals advised SEOL it had an opportunity to provide its comment or a response to RC's Interim Submission. SEOL then advised it did not have RC's Interim Submission. A copy was then provided to SEOL. SEOL was advised it had until August 20, 2026, to respond to RC's Interim Submission.

SEOL did not submit a response to RC's Interim Submission.

On August 25, 2026, Regulatory Compliance emailed the Regulatory Appeal Coordinator and copied SEOL advising of its intention to file further submissions by August 27, 2026, unless otherwise directed.

On August 27, 2026, Regulatory Compliance provided its submission in response to the AER's July 31 Questions (RC August 27 Submission). SEOL was provided with a copy of this submission on August 27.

On September 28, 2026, SEOL was advised that it had the opportunity to reply to RC's August 27 Submission.

No further submissions have been received from SEOL.

II. Submissions of the Parties

Appeal Request

In its Request, SEOL seeks to "formally appeal the suspension of [its] AER license, and to respectfully request reinstatement." It also requests in the alternative that the AER advise of any additional conditions or information required to support reinstatement. SEOL acknowledges the December Order arose from its non-compliance and outstanding obligations and says it is working to resolve the underlying issues. SEOL states the suspension has had a material impact on its operations and cash flow and that reinstatement is critical to ensuring continued compliance, safety and orderly operations.

As to the reason for filing the request for regulatory appeal, SEOL also states: "The order reduces our chances of completing our cash injection of up to \$7 million dollars."

SEOL's April 9 Submission

While not filed in compliance with the submission schedule provided to SEOL and before Regulatory Compliance had submitted its reply to the Request, SEOL's April 9 Submission was accepted.

In this submission, SEOL states it has taken substantial steps to address prior deficiencies and is positioned to meet requirements. It outlines these steps as follows:

- SEOL has restructured executive leadership, enhanced governance and internal controls, engaged qualified third-party operators, and established compliance monitoring protocols.
- SEOL has secured a loan facility "designated" to satisfy regulatory obligations, address liabilities, and sustain operations.
- SEOL commits to meeting all liability obligations, prioritizing higher-risk assets, and maintaining financial capacity for closure requirements and provided a timeline for doing those things.

Finally, it requests conditional reinstatement under *Directive 067: Eligibility Requirements for Acquiring and Holding Energy Licences and Approvals* subject to AER oversight to ensure compliance and risk mitigation.

RC's Reply Submission

This submission states that the amendment to the December Order and issuance of the April Order removed the license suspension requirement. As the license suspension was the focus of SEOL's Request, the requested appeal may now be moot.

Regulatory Compliance advised that an order was issued to SEOL and the Orphan Well Association (OWA) March 10, 2026, directing the OWA to provide care of the "sites".

Finally, Regulatory Compliance indicated it did not make submissions in response to the merits of SEOL's April 9 Submission because it is not clear what SEOL's intent is in relation to the April 9 Letter.

Submissions on July 31 Questions

RC's Interim Submission

Regulatory Compliance provided notice of additional materials it intended use to answer the question "What is the significance for the Appeal Request of the information provided in SEOL's April 8, 2026 submission?" Regulatory Compliance said those additional materials support Regulatory Compliance's legal arguments.

These materials arise from another proceeding relating to the same assets, licenses and parties that are subject of SEOL's Request. According to Regulatory Compliance, the materials contradict SEOL's April Submission.

Regulatory Compliance asked the AER to provide SEOL with the opportunity to respond to the inconsistencies before Regulatory Compliance provides its submission in response to the delegates' July 31 questions.

RC's August 27 Submission

Regulatory Compliance, citing a number of legal authorities, submits that where there is no live controversy or active dispute, a case is said to be moot and that unless there is a compelling reason related to the administration of justice or to a court weighing into the political realm of law-making, a court will not hear a case that is moot. It notes that SEOL's Request asks to "appeal the suspension of our AER license, and to respectfully request reinstatement". The suspension clause was included in the December Order in error as it was not necessary to respond to risks to public safety and to protect the environment and the April Order removed the suspension clause from the December Order. Regulatory Compliance notes that SEOL did not dispute the safety and protection issues listed in the December Order, nor did SEOL challenge Regulatory Compliance's findings that SEOL did not properly suspend its compressor stations and certain facilities with no leaks and depressurize all pipelines. As such, Regulatory Compliance submits that the ground of appeal in relation to the suspension, no longer exists.

Regulatory Compliance submits that the September Order suspended SEOL's well and facilities, not the licenses. SEOL did not appeal the September Order and expressly accepted the suspension contained in that order advising it had complied with suspension of the wells and facilities. Regulatory Compliance asserts SEOL did not appeal the September Order because it was not concerned with suspension of wells and facilities, but only of licenses.

Regulatory Compliance submits that SEOL's April Submission is improper because it is very different from the Request and is contradicted by the information from the other proceeding. It says the April Submission is either a request for a late-filed appeal or for a reconsideration of the September Order to suspend SEOL's wells and facilities. In either case, those requests are improper because they are late or do not meet the test for reconsideration. SEOL accepted the September Order, and it remains in effect. Contrary to the statement in the SEOL's April Submission, SEOL has not taken "substantial steps" to address prior deficiencies.

Finally, Regulatory Compliance submits the order issued to SEOL and the OWA in March of 2026 has little significance to the Request.

III. Reasons for Decision

Section 38 of REDA

As noted above, when the AER considers a request for a regulatory appeal, it must decide if the request complies with section 38 of the REDA:

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]

1. **Appealable Decision**

The December Order was issued under *EPEA*, *OGCA*, *OGCR*, and the *Pipeline Act*, without a hearing, and is therefore an appealable decision per section 36(a) of *REDA*.

2. **Eligible Person**

The term “eligible person” is defined in section 36(b) of *REDA*. The effect of that section is that for a requester to be eligible for a regulatory appeal, they must satisfy the AER they are or may be directly and adversely affected by the decision from which an appeal is sought.

The December Order requires SEOL to commence the abandonment of its wells, facilities, and pipelines and to plan for reclamation of the lands subject of the December Order. On its face, the terms of the December Order may be sufficient to establish that SEOL may be directly and adversely affected.

3. **In accordance with the Rules**

In the circumstances, we find that the Request was made in accordance with the *Rules*.

Section 39(4) of REDA

As noted above, subsection 39(4) of *REDA* provides the AER with the authority to dismiss all or part of a request for a regulatory appeal where the request is without merit or for any other reason, not properly before the AER.

Regulatory Compliance has submitted that SEOL’s Request should be dismissed pursuant to section 39(4) of *REDA* on the basis that it is moot because the only basis for requesting the appeal was Clause 1 of the December Order which suspended all licenses listed therein. That clause was removed when the December Order was amended and the April Order was issued.

We are satisfied the requested appeal is moot. SEOL only seeks to challenge Clause 1 of the December Order which suspended the SEOL Licenses. By operation of the April Order, that suspension is no longer operative. Therefore, a live controversy no longer exists in this matter. Conducting a hearing to determine if the December Order was improperly made on the basis of a challenge to the suspension clause would serve no purpose. We consider such a hearing to be a serious misuse of resources for all involved. Further, neither party has provided us with a compelling reason to proceed with the requested appeal in the circumstances and we are not aware of one. A request for an appeal that is moot, serves no practical purpose, and is a waste of resources is a request without merit and not properly before the AER as contemplated by section 39(4) of *REDA*.

It is unfortunate that despite being given opportunities to reply to the submissions of Regulatory Compliance and provide the AER with additional information when requested, SEOL made no submissions after its April submission.

While we did carefully consider SEOL's April Submission, it remains unclear to us what the purpose of that submission was in the context of the regulatory appeal request process related to the December Order. If SEOL's April 8 submission was intended to request a regulatory appeal of the September Order, it was filed outside of the timelines set forth in the *Rules* and is not properly before the Regulator.

Further, we do not have the authority, as delegates considering a request for appeal of the December Order, to entertain a request for reconsideration of the September Order. Even if we did have such authority, it appears unlikely that SEOL has satisfied the requirements for such a request. The limited information provided does not demonstrate compelling reasons for reconsidering the decision to issue the September Order.³

IV. Conclusion

Accordingly, while SEOL may satisfy section 38 of *REDA*, we find that the Request is moot, has no merit, and is not properly before the AER. As such, we dismiss the Request pursuant to section 39(4)(c) of *REDA*.

Sincerely,

<Original signed by>

Jan Rempel

Senior Advisor, Operational Liaison & Integration,
Mandate Expansion

<Original signed by>

Lane Peterson

Director, Oil & Gas Surface

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Steve Thomas

Director, Oil & Gas Subsurface, Waste & Storage

³ *REDA* Part 4 provides the AER with the ability to reconsider its decisions. See for example, [AER Decision on Request for Reconsideration No. 1960925, dated July 25, 2026 at pg 4.](#)