

**BY E-MAIL ONLY**

May 31, 2016

Gordon Hayward & Donna Harker

**APPLICATION No. 1855105 from BONAVIDA ENERGY CORPORATION  
STATEMENT(S) OF CONCERN NO. 30236 & 30237**

Dear Gordon Hayward and Donna Harker:

You are receiving this letter because you filed a statement of concern about Application No. 1855105. The Alberta Energy Regulator (AER) has reviewed your statement of concern, along with the application, the applicable requirements, and other submissions or information about the application and has decided that a hearing is not required under an enactment or otherwise necessary to consider the concerns outlined in your statement of concern.

In its review of your concerns, the AER considered the following:

- The applicant is requesting a holding approval with a well density of three wells per pool per section and is applying with a standard buffer zone of 150 meters on the south and west boundaries of Section 05-043-27W4M;
- You are the freehold mineral rights owners of Section 07-043-27W4M and have leased your mineral rights to Waldron Energy Corporation, which is currently in receivership;
- Your concerns relate to potential drainage of your mineral rights from additional wells if the holding application is approved;
- No gas wells have been drilled in Section 07-043-27W4M and based on the AER's current pooling interpretation provided in Pooling Order 0725 25009 2016-05-01, the Morningside Upper Mannville I pool, which is being targeted by the Applicant, does not extend out to the lands where your mineral rights are located. There is currently no evidence that the gas resource exists in Section 07-043-27W4M;

- One of the purposes of the *Oil and Gas Conservation Act* is to afford each owner the opportunity of obtaining the owner's share of production of oil or gas from any pool. You are not prevented from drilling your own well to access your mineral rights, if any exist;
- You have not demonstrated that you may be directly and adversely impacted by the Application.

inquiries 1-855-297-8311  
24-hour  
emergency 1-800-222-6514

The AER has issued the applied-for approval and this is your notice of that decision. A copy of the approval is enclosed. Under the *Responsible Energy Development Act* an eligible person may file a request for a regulatory appeal on an appealable decision. Eligible persons and appealable decisions are defined in section 36 of the *Responsible Energy Development Act* and section 3.1 of the *Responsible Energy Development Act General Regulation*. If you wish to file a request for regulatory appeal, you must submit your request in the form and manner and within the timeframe required by the AER. You can find filing requirements and forms on the AER website [www.aer.ca](http://www.aer.ca) under Applications & Notices: Appeals.

If you have any questions, contact Jessica Eslinger at 403-297-6599 or e-mail [Jessica.Eslinger@aer.ca](mailto:Jessica.Eslinger@aer.ca).

Sincerely,

< original signed by >

Rob Borth  
Director, Subsurface Authorizations

Enclosures (2): **(AER Pool Order and Application Disposition Document)**