

BY E-MAIL ONLY

January 24, 2019

Laura Jackson and Patrick Lamb

REPSOL OIL & GAS CANADA INC.

APPLICATION NO. 001-00411930

STATEMENT OF CONCERN NO. 31105

Dear Sir/Madame:

You are receiving this letter because you filed a statement of concern about application no. 001-00411930. 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. The AER has decided that a hearing is not required under an enactment, or necessary, to consider the concerns outlined in your statement of concern.

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

- You are upstream of the point of diversion and it does not appear that you are directly and adversely affected by the applied-for diversion.
- The AER acknowledges your concerns regarding the use of the water for hydraulic fracturing. Hydraulic fracturing is an industrial use, which is a permitted use under the *Water Act*.
- All of your other concerns respecting the impact of the diversion on the Clearwater River are addressed by the existing regulatory requirements and conditions that have been placed on the licence 00411930 as detailed below.
 - The requested allocation is within surface water allocation limits set by the Government of Alberta (GoA).
 - The licence contains conditions that require Repsol to stop diversion of water when river flow rates are at or below seasonally low flow thresholds. Seasonal low flow thresholds are established for the

- protection of the aquatic environment and are recommended and specified by GoA policies and guidelines.
- The licence contains monitoring conditions that require Repsol to monitor or measure the rate of flow of water in the Clearwater River at regular intervals during diversion.
- The licence contains reporting conditions that require Repsol to report to the AER the total volume of water diverted on a monthly basis.
- The licence contains conditions that require Repsol to investigate any complaints of surface water or groundwater inference that are accepted by the Director.

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

All AER regulated parties must comply not only with the conditions of their approval, but with all of the AER's regulatory requirements. To ensure industry compliance the AER has developed its *Integrated Compliance Assurance Framework*, which embodies the three main components of all effective compliance assurance programs, those being education, prevention, and enforcement. You can find out more about how the AER verifies industry compliance and responds to noncompliance here:

<https://aer.ca/regulating-development/compliance/compliance-assurance-program>.

In your statement of concern you stated that you requested and did not receive “a list of the licensees for the North Saskatchewan River basin showing volumes allocated and used, with dates to correspond with actual flow volumes.” Information requests should be directed to Information Services; however, for your convenience, we have provided the information we have in our records that best matches your request. In terms of placing this information in the context of actual use and river flows, the primary official accounting of basin wide water use is addressed by the Prairie Provinces Water Board (PPWB). Their most recent annual report can be found at:

<https://www.ppwb.ca/uploads/document/files/ppwb-annual-report--en-2.pdf>.

Licence data is also available on GeoDiscover and can be found at:

<http://geodiscover.alberta.ca/Viewer/?Viewer=GDA>.

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*.

You may file a Regulatory Appeal on the AER's decision to issue the licence if you meet the criteria within section 36 of the *Responsible Energy Development Act*. You can find filing requirements and forms on the AER website, <http://www.aer.ca/regulating-development/project-application/decisions>.

If you have any questions, contact Brittney Goudreau at 780-641-9038 or by e-mail Brittney.Goudreau@aer.ca.

Sincerely,

<Original Signed By>

Rob Cruickshank
Director, Business Process

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Enclosure (2): (Licence and Information Spreadsheet)

cc: Sarah Barcelo, Repsol Oil & Gas Canada Inc.
AER SOC Assessor
AER Red Deer Field Centre