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BY E-MAIL ONLY

January 24, 2019

Christy Hammonds

REPSOL OIL & GAS CANADA INC.

APPLICATION NO. 001-00411930

STATEMENT OF CONCERN NO. 31118

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:

- The proposed project will be located on an existing clearing.
- Your concerns about the storage ponds are outside the scope of this application.
- The concerns about the impact on the water levels of the Clearwater River and on the recreational use of the river were reviewed by the AER hydrologist. The AER is satisfied that Repsol's response estimating a water level drop of 6 mm at the mean annual flow is a reasonable estimate. In addition, the licence conditions require Repsol to stop diversion of water when river flow rates are at or below seasonally low flow thresholds, which would limit the impacts on water levels. Under the licence conditions, Repsol would have had to stop diverting during the low flow period of August – September 2019.
- Your 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
24-hour
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>.

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

Enclosure (1): (Licence)

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

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