

BY E-MAIL ONLY

November 1, 2018

Kim & Sylvia Barbero

**SHELL CANADA LIMITED (SHELL)
PIPELINE LICENCE APPLICATION NO. 159466
LOCATION 10-07-006-02W5M TO 07-07-006-02W5M
STATEMENT OF CONCERN NO. 31012**

Dear Kim and Sylvia Barbero:

You are receiving this letter because you filed a statement of concern (SOC) about Application No. 159466. The Alberta Energy Regulator (AER) has reviewed your SOC, along with the application and Shell's response to your SOC. In addition, the AER also took into consideration the following decision.

1. Decision 2011 ABERCB 007

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

- You have raised concerns regarding traffic, speed and dust on the Seven Gates Road. The AER notes that your concerns appear to be similar in nature to those raised as part of the Board hearing in 2010 and addressed in Decision Report 2011 ABERCB 007. With respect to traffic, Shell is continuing to monitor traffic patterns in the area and if required a "Traffic Monitor" will be utilized. Regarding speed, the AER notes that Shell is working with its personnel on training and orientation. Shell has stated that all vehicles are equipped with a GPS monitoring system which ensures compliance with local speed limits. Shell further notes that it is a corporate expectation that their personnel adhere to the local speed limits. Shell notes that dust suppression is being handled with a water truck under the "Traffic Monitor" and that it pays the Municipal District to conduct dust suppression activities on sections of the road. The AER by way of its Field Centre will contact Shell to ensure that they continue to engage you on these matters.
- Concerns have been raised regarding H₂S Monitoring at WT68, 6-17 and 5-20 locations. The AER notes that Shell has made upgrades to its WT-68 location in

2016. The success of these upgrades as stated by Shell has meant additional monitoring being installed at the 5-20 and 6-17 sites in January 2018. Shell has committed to additional work at its WAT-JCT site in 2019. The AER is aware of this work and notes that Shell has also worked with the Waterston Advisory Committee on this progress. The AER is satisfied with this mitigation.

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- You have raised concerns regarding project scheduling, organization and community interaction. Shell response indicates that it plans activities along the Seven Gates Road during the year so as not to increase traffic in the local area. Shell further notes that work scheduled may be impacted by contractor availability, emergencies and weather conditions. Shell has committed to working with you through its Community Liaison Officer on these issues to minimize disturbance.
- You raised concerns regarding abandonment work being done in the area within elk wintering season. The AER understands that abandonment work in the area required additional timeliness outside of the restricted period and that the AER granted a variance to complete the work. The AER notes that Shell fully informed you of the variance and additional timelines required for successful abandonment operations. The AER considers this matter closed.
- Finally you have raised concerns regarding flaring, pigging and batching. Shell states that the proposed pipeline will not require a flare stack at the JCT-J. If required, flaring will be performed at existing flare stacks at 10-17 and 6-12 locations. Shell has also stated that the pipeline design for this proposed segment minimizes the need to flare. Where flaring may need to occur due to operational matters, Shell must meet the requirements set out in AER *Directive 60: Upstream Petroleum Industry Flaring, Incineration and Venting*. In addition, Shell has committed to meeting the ambient air quality concentrations as per the Alberta Ambient Air Quality Objectives.

You are invited to contact your local AER Midnapore Field Centre at 403-297-8303 or via email at Midnapore.FieldCentre@aer.ca with any outstanding concerns related to the existing oil and gas infrastructure

The AER is satisfied that your concerns have been addressed. As a consequence, the AER has decided that it does not need to hold a hearing to further consider your concerns before the AER makes its decision on the application. The AER has issued the applied-for licence and this is your notice of that decision. A copy of the licence is attached.

All AER-regulated parties must comply not only with the conditions of their authorizations, 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* 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, <https://www.aer.ca/regulating-development/project-application/regulatory-appeal-process>

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If you have any questions, contact Julia MacPhee at 403-297-6873 or e-mail

Julia.MacPhee@aer.ca

Sincerely,

<original signed>

Paul Ferensowicz

Senior Advisor, Industry Operations

Enclosure (1): **(Pipeline Licence)**

cc: Molly Minuk, Shell Canada Limited, Molly.Minuk@shell.com
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