

BY MAIL ONLY

June 27, 2017

Sue and Vic Bergen

STATEMENT OF CONCERN NO. 30487

APPLICATION NO. 1872212 FROM VESTA ENERGY LTD.

Dear Sue and Vic Bergen:

You are receiving this letter because you filed a statement of concern about Application No. 1872212. 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 do not own property on which the well is proposed.
- Your lands are located approximately 100 m from the proposed well location, and there will be no setbacks or other impacts associated with the well that will restrict the use of your lands. You farm but do not occupy these lands, and there is no residence on the lands. You did not provide the specific location of your current residence, but stated that it is approximately 1.5 miles from the proposed well site.
- The proposed well will produce oil from a formation that does not contain H₂S, so there will be no sour production from the proposed well.
- During drilling operations, the wellbore will be drilled through a sour formation before reaching the sweet target production zone. During this temporary phase of drilling operations the Emergency Planning Zone will be 50 m, which does not extend beyond the lease site.
- Regarding your concern about fracturing and your water supplies, the AER has numerous requirements with which Vesta Energy Ltd. (Vesta) must comply which

are protective of the environment, including water bodies and wetlands as well as ground and surface water sources.

- *Directive 083: Hydraulic Fracturing – Subsurface Integrity* has specific requirements which address the protection of both non-saline groundwater aquifers and water wells, as well as the surface environment. Licensees' hydraulic fracturing operations must not cause surface impacts, and must not have an adverse effect on non-saline aquifers or on a water well's water quality or quantity. As Vesta has noted, surface casing must be set below the base of groundwater protection to isolate the wellbore from groundwater aquifer's, in accordance with the requirements of *AER Directive 008: Surface Casing Depth Requirements*. In addition to these requirements, Vesta has committed to testing your water prior to drilling the well and after completion operations.
- Concerns about the impact of traffic on municipal or provincial roads are not within the AER's jurisdiction. However, the AER notes that Vesta has committed to posting signs for its employees and contractors to travel at reduced speed limits on the local roads, as well as working with the school divisions to regulate oilfield traffic to the proposed site outside of school bus schedules. Vesta has also indicated that it has a road use agreement with the County of Lacombe which addresses the maintenance of County roads. Any concerns with municipal roads should be raised with the County.
- Regarding your concern about noise, Vesta must adhere to *Directive 038: Noise Control* during production operations. During drilling operations, which are temporary in nature, Vesta has committed to noise mitigation measures which exceed AER requirements, including soil berm noise barriers and strategic placement of temporary equipment to re-direct noise.
- Concerns about increased crime as a result of temporary oilfield workforce personnel in the area are vague and speculative in nature, and not within the scope of the application or the AER's jurisdiction.
- You have not indicated how flaring at the well site will impact you, and the AER is unable to determine the nature of this concern. Please note that Vesta must comply with the requirements of *Directive 060: Upstream Petroleum Industry Flaring, Incinerating, and Venting* with respect to all routine and non-routine flaring at the site, and the *Alberta Ambient Air Quality Objectives and Guidelines* which is intended to provide protection of the environment and human health.

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Based on the above, you have not demonstrated that you may be directly and adversely affected by approval of the application. The AER has issued the applied-for licence and this is your notice of that decision. A copy of the licence 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, <http://www.aer.ca/applications-and-notice/appeals>.

If you have any questions, contact LaiLoni Boswell at 403-297-2450 or e-mail lailoni.boswell@aer.ca, or Lonny Olsen at 403-297-3513 or email lonny.olsen@aer.ca.

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Sincerely,

<Original signed by>

Rob Borth
Director, Oil & Gas

Enclosure (1): Well Licence

cc: Dermot O'Connor, Vesta Energy Ltd.
AER SOC Coordinator, SOC@aer.ca
AER Red Deer Field Centre, RedDeer.FieldCentre@aer.ca