

BY E-MAIL ONLY

February 1, 2017

Dale & Janette Snider

**ARC RESOURCES LTD. APPLICATION NO. 1876418
STATEMENT OF CONCERN NO. 30537**

Dear Dale & Janette Snider:

You are receiving this letter because you filed a statement of concern about Application No. 1876418. 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 applicant is requesting to rescind a unit holding approval with a well density of four wells per pool per section with a standard buffer zone of 100 meters on all boundaries of Sections 07, 18, 19 -049-05W5M, N2 Section 11, N2 and SE Section 12, Sections 13, 14, E2 Section 15, N2 Section 20, Sections 21, 22, 23, 24, S2 Section 25, S2 and NW Section 26, Sections 27, 28, 29, E2 Section 30, SE Section 31, Sections 32, 33-049-06W5M, SE Section 05-050-06W5M ;
- You are the surface landowner in NW Section 11-049-06W5M, located in the area of application;
- Your concerns relate to impacts that adding three more wells will have on noise levels, water supply, and increased traffic.

ARC Resources Ltd. (ARC) has submitted an application to rescind the oil holding that is approved for 4 wells per pool per quarter section and revert to the spacing provisions specified in the Subsurface Order No.5 (SO5). Clauses within SO5 state, there are no well density restrictions in a drilling spacing unit and, the target area for a gas or oil well must be the central area within the drilling spacing unit having sides 100 metres from the

sides of the drilling spacing unit and parallel to them unless otherwise prescribed by the regulator under *Oil and Gas Conservation Rules* (OGCR) Section 4.040. Well spacing defines the number of subsurface drainage points optimal to recover oil or gas from a specified pool and/or allow the resource to be recovered in a reasonable period of time. Approval of rescinding the special well spacing does not authorize the drilling of any wells nor the construction of any related facilities.

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The information you have provided does not demonstrate to the AER that you may be directly and adversely affected by the proposed standard well spacing. The application relates solely to subsurface reservoir development. The concerns expressed in your statement of concern relate to surface infrastructure that may or may not be constructed and operated by ARC at a future date. Therefore, based on all the information before the AER, it does not appear that you may be directly and adversely affected by approval of the application.

Pursuant to section 2.2.1(4) of *Directive 056: Energy Development Applications and Schedules*, now that ARC is aware of your surface concerns, ARC is required to include you in its participant involvement program for any surface application it plans to file in the area with the AER.

The AER has issued the applied-for approval and this is your notice of that decision. A copy of the approval is attached. 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 Brittany Hardy at 403-476-4514 or e-mail Brittany.Hardy@aer.ca.

Sincerely,
<original signed by>

Rob Borth
Director, Subsurface Authorizations

Attachment (1): **(AER Application Disposition Document)**

cc: Sarah Daniel, ARC Resources Ltd., sdaniel@arcresources.com

Winnie Salunga, Vzfox Canada Ltd., regulatory@vzfoxengineering.com
Authorizations Branch Support, ARCTeam@aer.ca

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