

By Email Only

August 26, 2016

Dorin Land Management

Application No. 1832419

Penn West Petroleum Limited

Statement of Concern No. 30235

Dear Mr. Mark Dorin:

You are receiving this letter because you filed a statement of concern with subsequent documentation (SOC) about the subject application, on behalf of yourself and a number of other individuals. The Alberta Energy Regulator (AER) has reviewed your SOC, along with the application, the applicable requirements, and other submissions or information about the application and has decided that a hearing is not required under an enactment or otherwise necessary to consider the concerns outlined in your SOC.

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

- You, and the individuals you state you represent, do not own mineral rights in the area of application.
- The application would convert a disposal scheme to an enhanced recovery scheme. This would result in the gas currently being flared to be re-injected into the formation to facilitate oil production.
- The application is a resource application involving subsurface matters and examining whether the reservoir is appropriate for enhanced recovery methods. The application would not affect any surface rights or authorize activities that could impact the surface.
- Based on the information in the application, there are no additional surface facilities needed for the implementation of the enhanced recovery scheme and as such the application does not affect surface rights.
- Your concerns about surface lease agreements are outside of the AER's jurisdiction. These concerns are under the jurisdiction of the Surface Rights Board.
- You raise operational concerns, such as odours, which are outside the scope of this application and should be directed to the AER Edmonton Field Centre. Gas currently being flared is to be re-injected into the formation to facilitate oil production.
- With respect to your concerns about emergency planning, Penn West has updated its emergency response plan and the AER is satisfied that Penn West has met all

requirements under *Directive 071: Emergency Preparedness and Response Requirements for the Petroleum Industry*.

- Concerns regarding Regional and Government Policies which Dorin Land had stated in its submission are beyond the scope of the application and the authority to make such policies is held by the Government of Alberta.
- The AER is satisfied that Penn West has met all *Directive 065* consultation and notification requirements for this application.

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

Based on the above, you have not demonstrated that you, or the individuals you are acting on behalf of, may be directly and adversely affected by the approval of the application.

With respect to your question about liability for abandonment of the infrastructure located in the area of application, the licensee or approval holder would be responsible for abandonment.

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 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 www.aer.ca under Applications & Notices: Appeals.

If you have any questions, contact Lisa Gagy at _____ or e-mail _____.

Sincerely,

<original signed by>

Rob Cruickshank

Acting Director, Authorizations Subsurface (Oil and Gas)

cc: Shawn Milligan, Penn West
AER Edmonton Field Centre