

BY E-MAIL ONLY

June 27, 2017

Nadine Gerig

**STATEMENT OF CONCERN NO. 30489**  
**APPLICATION NO. 1872212 FROM VESTA ENERGY LTD.**

Dear Nadine Gerig:

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 740 m from the proposed well location and your residence is located approximately 870 m away. There will be no setbacks or other impacts associated with the well that will restrict the use of your lands.
- Regarding your concerns about well water disruption and contamination in relation to Vesta Energy Ltd.'s (Vesta) fracturing operations, the AER has numerous requirements with which 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 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 well water prior to drilling the well and after completion operations. Please also note that the AER requires licensees to report amounts and sources of water and chemicals used in every hydraulic fracturing operation. Summary information is available at [www.fracfocus.ca](http://www.fracfocus.ca).

inquiries 1-855-297-8311  
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- Regarding your concerns about air pollution and odours, Vesta's drilling and production operations must comply with the requirements of *Directive 060: Upstream Petroleum Industry Flaring, Incinerating, and Venting* and the *Alberta Ambient Air Quality Objectives and Guidelines* which is intended to provide protection of the environment and human health. There should not be an increase in odours associated with this proposed well, and Vesta must comply with *Directive 060* requirements which prohibit offensive hydrocarbon odours from leaving the lease site. Please contact Vesta and the AER Red Deer Field Centre at 403-340-5454 in the event that you experience odours from Vesta's well.
- You have also raised concerns about noise due to the initial exploration, fracturing and drilling operations. During these 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. Vesta must adhere to *Directive 038: Noise Control* once production operations begin.
- Concerns about the impact of traffic on municipal or provincial roads are not within the AER's jurisdiction. However, the AER notes Vesta's statement that it has a road use agreement with the County of Lacombe which addresses the maintenance of County Roads. Vesta has also committed to posting signs for its employees and contractors to travel at reduced speed limits on the local roads. Any concerns with municipal roads should be raised with the County.
- You have stated that you have a reasonable expectation that your home and the surrounding properties will be preserved and not exposed to any risks relating to oil activity. Please note that preserving land and restricting oil and gas development is a land use policy decision of the Government of Alberta. The AER notes that there are no land-use policies or regional plans in effect that restrict oil and gas development from occurring in the area of the proposed well site. In any event, you have not demonstrated that you may be exposed to any unacceptable level of risk or that you or your property may be adversely impacted by the proposed well.

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 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>.

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If you have any questions, contact LaiLoni Boswell at 403-297-2450 or e-mail [lailoni.boswell@er.ca](mailto:lailoni.boswell@er.ca), or Lonny Olsen at 403-297-3513 or email [lonny.olsen@er.ca](mailto:lonny.olsen@er.ca).

Sincerely,

<Original signed by>

Rob Borth  
Director, Oil & Gas

Attachment (1): Well Licence

cc: Dermot O'Connor, Vesta Energy Ltd.  
AER SOC Coordinator, [SOC@er.ca](mailto:SOC@er.ca)  
AER Red Deer Field Centre, [RedDeer.FieldCentre@er.ca](mailto:RedDeer.FieldCentre@er.ca)