

BY E-MAIL ONLY

October 31, 2017

Roxy Moser and Doug Graham

**TIDEWATER MIDSTREAM AND INFRASTRUCTURE
SUBSURFACE APPLICATION NO. 1880354
INFRASTRUCTURE APPLICATION NO. 1882591
STATEMENTS OF CONCERN NO. 30606 and 30651**

Dear Roxy Moser and Doug Graham:

You are receiving this letter because you filed statements of concern about Applications No. 1880354 and 1882591. The Alberta Energy Regulator (AER) has reviewed your statements of concern, along with the applications, the applicable requirements, and other submissions or information about the applications. The AER has decided that a hearing is not required under an enactment, or necessary, to consider the concerns outlined in your statements of concern.

- In its review of your concerns, the AER considered the following: the pipeline proposed in application 1882591 is a 70 m sweet natural gas pipeline that will connect the existing Tidewater facility at 5-36-71-7W6M with a pipeline to be constructed in the future. It would be located approximately 19.6 km from your lands.
- You have stated concerns about pipeline failures and accidents, but the concerns are vague and very general in nature, and you have not indicated whether or how you may be impacted by the pipeline, given its distance from your lands.
- The proposed pipeline meets the AER's technical requirements, and Tidewater must operate the pipeline in accordance with all applicable AER requirements, which are protective of safety and the environment. As there is no H₂S content in the pipeline substances, the only setback is the width of the right-of-way. The AER is satisfied with the proposals for construction and operation of the pipelines.
- Application 1882591 is to amend the existing subsurface gas storage scheme Approval No. 12230C to add a previously licensed well (Licence # 0480964) to the list of approved injectors in the Paddy Dimsdale A Pool. The application is part of the Dimsdale Gas Storage project, which was approved in January, 2014. You do not

own the subsurface rights or the lands on which the Tidewater's gas injection project is located. Your lands are located more than 20 km away from the injector well that Tidewater is seeking to add to its current scheme Approval.

- Further to your concerns about impacts about fumes and leaks (emissions), Tidewater must comply with the requirements of *Directive 060: Upstream Petroleum Industry Flaring, Incinerating and Venting*, and Alberta Ambient Air Quality Objectives (AAAQO). Moreover, Tidewater has committed to completing a baseline air quality test and post-operational follow-up, with results made available to residents. If you have any concerns regarding odours or emissions once the project is in operation, please contact the AER's 24 hour response line at 1-800-222-6514.
- Regarding your concerns about safety in relation to Tidewater's project, AER technical staff has reviewed the geological characteristics of the reservoir, the injection pressures, and the well designs, and regard the safety risks as minimal. The Dimsdale Paddy A reservoir into which sweet natural gas will be injected is approximately 1,300 meters below the surface. It is an approximately 10 m thick porous rock formation. Gas is injected and stored within the porous rock. Prior to being used for injection, natural gas had been produced from the reservoir. Prior to being depleted due to production, the original reservoir pressure was 10,485 kPa. Tidewater's existing storage approval (12203C) prohibits the average reservoir pressure from exceeding the initial reservoir pressure, and limits the volume of gas that can be injected. The well meets all *Directive 051* requirements for injection operations, including requirements for well integrity. Further, injection at a well must not exceed the maximum wellhead injection pressure prescribed in Tidewater's scheme approval, determined through the application process. The amendment that is required to add this well will not result in any changes to the approved operating conditions of Scheme Approval No. 12203C. Further, the applications are in compliance with AER directives and regulations that ensure the components of the project (wells, pipelines, facility) may be constructed and operated with minimal risk to residents and the environment.
- Regarding concerns which appear to relate to communication of project changes to area stakeholders, Tidewater has met the *Directive 056* consultation and notification requirements for the infrastructure applications, and must continue to notify all persons with known concerns on future applications.

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

Based on the above, you have not demonstrated that you may be directly and adversely affected by approval of the applications or that the AER should hold a hearing before making its decision on the applications. The AER has issued the applied-for approvals, and this is your notice of that decision. Copies of the approvals are 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 Lonny Olsen at 403-297-3513 or e-mail
Lonny.Olsen@aer.ca.

Sincerely,

<original signed by>

Lane Peterson

Director, Pipeline Authorizations

Enclosure (2): **(1 approval, 1 licence)**

cc: Clark Dickson, Tidewater
AER SOC Coordinator,
AER Grande Prairie Field Centre

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