

BY E-MAIL ONLY

November 21, 2018

Larry and Barbara Gaultier

**RE: TIDEWATER MIDSTREAM and INFRASTRUCTURE LTD.
APPLICATIONS NO. 1909381 and 1909382
STATEMENT OF CONCERN NO. 31197**

You are receiving this letter because you filed a statement of concern in response to Tidewater Midstream and Infrastructure Ltd. (Tidewater) Applications No. 1909381 and 1909382. The Alberta Energy Regulator (AER) has reviewed your statement of concern, along with the company's applications, and all applicable requirements and other submissions or information about the applications. The AER has decided that a hearing is not required to consider the concerns outlined in your statement of concern.

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

- Your lands are located approximately 4 km southwest of the proposed disposal well located at 08-34-070-09W6M.
- Tidewater is requesting to dispose produced water through this well as part of the subsurface disposal scheme as applied for in their Applications No. 1909381 and 1909382.
- Your concerns regarding the contamination of your drinking water for yourself and your livestock from chemicals invading the aquifer and injected into the ground are addressed by the requirements of AER *Directive 065: Resources Applications for Oil and Gas Reservoirs* (Directive 065) and the conditions that Tidewater must meet, as specified by the AER in the Class II Disposal Approval No. 12758 (Approval). (see attachment).
- As per the requirements of Directive 065 and conditions of the Approval, Tidewater cannot dispose of any chemicals into the injection zone, only produced water.
- In addition, a significant geological barrier exists between the groundwater and the injection zone which is approximately 1500 meters below the base of groundwater. This prevents any disposal fluid from migrating into the groundwater.

- Tidewater has met the requirements of the AER *Directive 051: Injection and Disposal Wells – Well Classifications, Completions, Logging, and Testing Requirements* as per Application No. 1909382 by demonstrating integrity within the wellbore to contain the disposal fluid, which will alleviate any risk of cross contamination due to loss of containment.
- Your concerns about flooding and the sour gas plant are out of scope for these applications and were specific to the gas plant facility which you have referenced. That facility is the Tidewater Pipestone Gas Plant, located at 00/12-35-070-09W6, Application No. 1900641 which was approved on October 17, 2018.

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

Based on the above, the AER has issued the applied-for approval and this is your notice of that decision. A copy of the approval is attached.

All AER- regulated parties must comply not only with the conditions of their authorizations, but with all of the AER's regulatory requirements. To ensure industry compliance the AER has developed its *Integrated Compliance Assurance Framework*, which embodies the three main components of all effective compliance assurance programs, those being education, prevention, and enforcement. You can find out more about how the AER verifies industry compliance and responds to noncompliance here: <https://aer.ca/regulating-development/compliance/compliance-assurance-program>.

You may file a regulatory appeal on the AER's decision to issue the approval if you meet the criteria within section 36 of the *Responsible Energy Development Act*. Filing instructions and forms are on our website under Regulatory Appeal Process.

Sincerely,

<original signed by>

Paul Ferensowicz

Senior Advisor, Industry Operations

Attachment: Class II Disposal Approval No. 12758

cc: Ryan Connery, Tidewater, rconnery@tidewatermidstream.com
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