

http://synergyalberta.ca/group/battle-lake-watershed-synergy-group

A meeting of the Battle Lake Watershed Synergy Group was held on Thursday, November 3, 2022, at the Lakedell Ag Society Hall B with Paul McLauchlin acting as Facilitator.

CALLED TO ORDER:

Paul called the meeting to order at 7:00 pm.

AGENDA:

- Introductions
- Review of Minutes
- Follow-up Action Items
- AER Updates
- Industry Updates
- Community Updates
- Next Meeting

ATTENDANCE:

In attendance were {3} residents, {5} industry representatives and government officials. (See the attached list.)

Review of Minutes:

Follow-up Action Items:

- 1. Ask Caleb at ALMs to speak to the group on findings of the Winter Lake Keepers reports at the November meeting. Invitation to February meeting.
- 2. Who was active on the lease south of highway south of 4H Center? Activity there now. NW-1-46-2-W5. -Zoriana to follow up with Journey.

AER Update: Zoriana Wood

Fox Creek Synergy Group is restarting. AER still funds Synergy.

Announcements:

Training Event: Introducing AER's OneStop for New Industry Users (Additional Date)

This 90-minute live online session will introduce new users to the AER's OneStop system. Learn how to access the tool, navigate the system, and use its basic functions. OneStop experts will also be available to answer questions throughout the demonstration. Wednesday, November 23, 2022 1:00 p.m. – 2:30 p.m. This training event will be delivered through Microsoft Teams. To register, sign up through Eventbrite.

Training Event: OneStop Record of Site Condition (RoSC) Information Update

As part of AERs ongoing engagement activities, this is a live online session delivered through Microsoft Teams that will include some demonstration of the OneStop system. The information will be tailored towards attendees with subject matter familiarity and there may be a degree of repetition for those who have attended previous sessions. Topics covered will include:

- -An overview of the purpose, use and completion of RoSCs
- -Summary of RoSC submissions to OneStop since launch in July 2021
- -Common review observations and frequently asked questions

You will have the opportunity to ask questions and familiarize yourself with requirements, expectations and process. There are 3 date options: November 14th, November 21st and November 24th. Each session will be delivered through Microsoft Teams. To register, sign up through Eventbrite.

Training Event: OneStop Reclamation Certificate Variance – New Functionality

Effective November 3, 2022, industry will be required to submit all Reclamation Certificate variance requests using OneStop. We are delivering 1-hour virtual training sessions that will provide detailed information on submitting variance requests in OneStop, including a demonstration of the system. You will have the opportunity to ask questions and familiarize yourself with the process. There are 2 date options: November 7th and November 9th. Each session will be delivered through Microsoft Teams. To register, sign up through Eventbrite.

<u>Training Event: OneStop Geothermal Well Licence – New Functionality</u>

Effective November 3, 2022, new geothermal well types and the introduction of a Well Licence Regulatory Conversion Amendment will be added to the OneStop platform. The Regulatory Conversion amendment allows for the conversion of existing OGCA wells to GRDA wells or the conversion of GRDA wells to OGCA wells. We will be delivering a live online session that will provide more detailed information, including a demonstration of the OneStop system. Monday November $7 \times 1000 - 11:30$ am. To register, sign up through Eventbrite.

OneStop Record of Site Condition (RoSC) Declarations

The OneStop Record of Site Condition (RoSC) Declarations have been revised to improve clarity and the updated versions (generated within OneStop) will be in use on October 06, 2022. There are no changes to the OneStop RoSC form itself. The AER will continue to accept RoSCs with declarations that have been previously completed in draft. For draft RoSCs, Environmental Professionals and Authorized Representatives may opt to re-generate, sign and submit a new declaration form. Please send any questions to the AER via CSUsubmissions@aer.ca

Bulletins:

Validate WIP Information Accuracy

Under Directive 067: Eligibility Requirements for Acquiring and Holding Energy Licences and Approvals, licensees must ensure that the information the AER has on file is kept accurate in order to maintain eligibility. This includes working interest participant (WIP) information. A WIP is a person who owns a beneficial or legal undivided interest in a well or facility under agreements that pertain to the ownership of that well or facility. Under AER legislation, WIPs may be required to carry out regulatory obligations if a licensee fails to do so. This includes providing reasonable care

and measures to prevent impairment or damage and suspending, abandoning, remediating, or reclaiming a well or facility that they have a working interest in. WIPs are also required to pay their share of costs of reasonable care and measures, suspension, abandonment, remediation, and reclamation. We use AER records of WIP information (WIP records) in regulatory activities and decision making, and it is important that they are kept up to date. Licensees can review their WIP information through the Closure Activity and Spend Report in OneStop. Once logged in, go to the Reports section. Within the Report Category, select LMF as the category and open the Closure Activity and Spend Report. The WIP report is available from a tab in the upper-right corner of this report. This report shows a licensee where their company is identified as holding a working interest in well and facility licences held by other licensees as well as in their own inventory. If you have any questions, contact our Customer Contact Centre by phone at 1-855-297-8311 or by email at inquiries@aer.ca.

Updating Your Own Records

To update WIP records for licences in your own inventory, use the bulk upload function within OneStop. (Licensees having challenges accessing their OneStop account can refer to a video walkthrough on our YouTube channel.) Click Bulk Upload in the top-right corner of the screen. For Upload Category, select Other > Working Interest Participant. Buttons to download the template and to upload the changes will then be available. A video walkthrough is available on our YouTube channel (though for a different category).

Updating Records of Other Licensees

If you notice discrepancies in the report regarding your WIP holdings in licences held by others, contact the licensee of record. WIP records reflect private agreements between parties and must be managed by the licensee. We will not update records managed by active licensees.

Updating Records of Defunct Licensees

If you notice discrepancies in the report regarding your WIP holdings in licences held by defunct licensees, and you have not already connected with the AER regarding these holdings, contact OrphaningInsolvency@aer.ca. Supporting documentation is required before we will consider a request to alter WIP records held by a defunct licensee.

New Edition of Directive 068

Today we released a new edition of *Directive 068: Security Deposits*. This edition includes administrative updates that reflect our shift from the ERCB to the AER and our new mandate under the *Responsible Energy Development Act*. Other administrative clarifications and changes include correcting outdated references and numbering unique requirements.

Directive 068 now contains process requirements and a form to enable licensees to designate which liability program or application number a security deposit is to be allocated to. Licensees can fill out the form and submit it with their financial instruments to ensure that we have a correct record of a licensee's security deposits. Alternatively, the licensee may submit the letter of notification of security owed with their financial instrument.

We have clarified the process licensees must use to request a security deposit refund. Changes were made to align the directive with current practices, increase consistency, and offer greater

transparency about how refunds are issued and to whom. There are a number of administrative and process criteria that licensees must meet in order to successfully request and be issued a refund of their security deposit, including the following:

- -The request must be sent by courier, mail service, or email to Directive068@aer.ca.
- -The request must include the contact information of the individual submitting the request and be submitted on company letterhead.
- -The licensee must describe in their refund request how they meet AER liability management program or policy-specific criteria for a security refund.

To support the AER's mandate expansion into the regulation of geothermal resources, the directive was also amended to enable security deposits to be collected and refunded for geothermal projects. Directive 068 is available on our website, www.aer.ca > Regulating Development > Rules and Directives > Directive 068. Questions about the directive should be directed by email to Directive 068.

New Guidance on Applications Under the Water Conservation Policy for Upstream Oil and Gas Operations

Today we released *Manual 025: Applications Under the Water Conservation Policy for Upstream Oil and Gas Operations*. The purpose of this manual is to assist operators in applying for new water licences, licence renewals, and licence amendments pursuant to the *Water Act* and under the scope of the *Water Conservation Policy for Upstream Oil and Gas Operations*. It does not apply to temporary diversion licences. It replaces the Alberta Environment and Parks 2006 *Water Conservation and Allocation Guideline for Oilfield Injection*. This manual supplements existing guidance around standard *Water Act* licence applications and recycling expectations found in other documents, such as the following:

- -The AER's webpage on *Water Act* applications: Regulating Development > Project Application > Application Legislation > Water Act
- -Alberta Environment Guide to Groundwater Authorization
- -Surface Water Allocation Directive
- -Directive for Water Licensing of Hydraulic Fracturing Projects Area of Use Approach
- -<u>Administrative Guideline for Transfer of Water Allocations (and Agreements to Assign Water, and Licence Amendments)</u>
- -<u>Directive 081: Water Disposal Limits and Reporting Requirements for Thermal In Situ Oil Sands</u> Schemes

We have also released a mapping tool to help industry compare desired diversion locations against the water short, potentially water short, and locally constrained areas: https://extmapviewer.aer.ca/wcp/index.html. We will regularly update the online mapping

tool. A draft of this manual was released for public feedback on April 20, 2021 (see <u>Bulletin 2021-15</u>). A summary of the feedback, including our responses, is available on the manual's webpage. For more information, see our website, <u>www.aer.ca</u> > Regulating Development > Rules and Directives > <u>Manuals</u>. If you have any questions about the new manual, please contact our Customer Contact Centre by phone at 1-855-297-8311 or by email at inquiries@aer.ca.

New Edition of Directive 065

Today we released a new edition of *Directive 065: Resources Applications for Oil and Gas Reservoirs*. The directive has been updated to incorporate application requirements for carbon

dioxide (CO₂) enhanced oil recovery storage and CO₂ sequestration schemes, also known as carbon capture utilization and storage (CCUS), and carbon capture and storage (CCS) schemes, respectively. By clarifying the requirements, we have increased transparency for industry and stakeholders and improved regulatory application efficiency and consistency. During the revisions, we considered feedback from stakeholders. The following sections have been changed or clarified to reflect current regulatory and operational requirements. Refer to "What's New in this Edition," for more information.

- -"Whom to Notify" under the section "Resources Applications Notification Guidelines section"
- -Unit 2, "Conservation"
- -Unit 4, "Disposal/Storage"
- -Unit 5, "Approval Transfers"

We have also made consequential amendments to the following directives:

- -Directive 013: Suspension Requirements for Wells
- -Directive 020: Well Abandonment
- -Directive 087: Well Integrity Management

We have included references to the <u>Geothermal Resource Development Rules</u> in <u>Directive</u> 020 and <u>Directive</u> 087. Over the next few months, changes will be made to other directives and manuals to reflect the changes to <u>Directive</u> 065 (e.g., <u>Directive</u> 071: <u>Emergency Preparedness and Response Requirements for the Petroleum Industry</u>). The draft directive was released on May 30, 2022, and public feedback was accepted through July 10, 2022. A summary of the feedback, including our responses, is available on the <u>Directive</u> 065 webpage.

The revised edition of Directive 065 is available on our website at $\underline{www.aer.ca}$ > Regulating Development > Rules and Directives > Directive 065. If you have any questions, contact our Customer Contact Centre by phone at $\underline{1-855-297-8311}$ or by email at $\underline{inquiries@aer.ca}$.

New Functionality Moving to OneStop

On November 3, 2022, we will release new functionality and enhancements to the OneStop platform.

Well Licensing

The well licensing module in OneStop has been enhanced to accept geothermal well licence applications (new and amendment). Enhancements include geothermal well types and Regulatory Conversion, a well licence amendment type. Regulatory Conversion converts existing Oil and Gas Conservation Act (OGCA) wells to Geothermal Resource Development Act (GRDA) wells or converts GRDA wells to OGCA wells. This enhancement replaces section 8.2 "Geothermal Wells Procedural" in Manual 012: Energy Development Applications; Procedures and Schedules. Geothermal applicants should continue to rely on section 8 of Manual 012 with the exception of section 8.2.

Manual 012 and <u>Directive 056: Energy Development Applications and Schedules</u> are currently being updated to reflect geothermal enhancements. Refer to the following sources for more information about geothermal energy development and the AER's role in regulating geothermal resources:

- -Geothermal Resource Development Act (GRDA)
- -Geothermal Resource Development Rules (GRDR)
- -Directive 089: Geothermal Resource Development

OneStop Public Lands Conditions Update

Refer to <u>OneStop Public Lands Standards and Conditions Change Key</u> on the OneStop landing page for the latest changes to the Government of Alberta's <u>Master Schedule of Standards and Conditions</u> (<u>MSSC</u>). Updates to MSSC will apply to all public lands applications submitted after November 3, 2022. Draft applications created before November 3, 2022, that contain a variance (rationale and mitigation) to standards, will require updated variance information. Applicants are encouraged to maintain a separate copy of variance information for replacement in the draft application for submission.

Reclamation Certificate Variance

A new submission type, Reclamation Certificate Variance, has been added to OneStop allowing submitters to use professional justifications in variance request submissions as identified in section 8.2 "Professional Justification" in <u>Specified Enactment Direction 002: Application Submission Requirements and Guidance for Reclamation Certificates for Well Sites and Associated Facilities.</u>
Reclamation certificate variances may include more than one variance type if they relate to a specific parcel of land certified for reclamation closure. These submission types are intended to be associated to future reclamation certificate applications.

Other Enhancements and Fixes

Details on other OneStop enhancements and fixes will be made available at the time of release in "What's New in OneStop," found on the OneStop landing page under "Enhancements and Fixes." We will schedule a system outage to implement these latest changes and post the notice on the Systems and Tools portal on our website, www.aer.ca and the OneStop landing page.

Training and Support Materials

After the release, we will hold the following training sessions:

- -OneStop Reclamation Certificate Variance New Functionality
- -OneStop Geothermal Well Licence New Functionality
- -Introducing OneStop to Industry Users
- -OneStop Record of Site Condition (RoSC) Information Update

More information can be found on the AER <u>Announcements</u> page. We will post new quick reference guides (QRG) on the OneStop Help page to support reclamation certificate variances and geothermal well licensing.

If you have questions about OneStop or this bulletin, contact the AER's Customer Contact Centre by phone at <u>403-297-8311</u> (<u>1-855-297-8311</u> toll free) or by email at <u>inquiries@aer.ca</u>.

Stay Informed:

The business of making sure that energy development happens safely can be complex. To help bring clarity to these complexities, the Alberta Energy Regulator created Resource, our website for sharing stories and videos on energy development and how its regulated in Alberta.

For regular updates, please sign up for our <u>News Release Subscription</u> and <u>Subscribe to Updates</u> Or visit us on <u>Twitter</u>, <u>LinkedIn</u>, and <u>AER YouTube</u>

Contact Information:

Phone: 1-855-297-8311 Email: lnquiries@aer.ca

Emergency 24-hour Response Line 1-800-222-6514

Discussion:

Q: Why flare for extended period of time?

A: Typically only on a new drill/bore. Otherwise only 48 hours.

INDUSTRY UPDATES:

Baytex: Shane Koss, Murray Phillips

Shane introduced Murray, he is new to Baytex and will be covering the Duvernay Area.

2023 plan to drill 4 wells on existing pads.

2 wells at 7-28-45-2, will tie into the battery close by at 10-31.

2 wells at 10-31-45-2 will tie into the battery close by at 11-30.

Budget as of November 3, 2022 is \$550 million for 2023 year. Majority of work done in Saskatchewan and Texas, as well as some in the Peace region in conjunction with Peavine Metis Settlement.

Budget is being managed according to share buy back programs and paying debt based on a \$45/barrel rate to balance cashflow.

Discussion: Trucking for Baytex 2 wells. Originally wanted a pipeline however there was an issue with obtaining a ROW. South transport, not intended to be permanent. AIM Transport does the hauling of product and is a subsidiary of Baytex.

Comments:

- Signage has been good, please keep it up.
- Proximity of infrastructure to the lake, subsurface plays a part, dealing with expirations usually 5–10-year terms. One year in advance planning.
- Sound Mitigation: 8 wells our of 1 pad results in increased pressure on compressor.
 Residents notice more sound. Work in progress to mitigate sound. One mitigation implemented was to shut off compressor at certain times of day.
- A study begins on Monday, November 7, 2022, for sound mitigation. New equipment and VRD to be installed Wednesday, with additional gravel. Nighttime noise is an issue.

Sifton Petroleum Inc: Wayne Pridham

Via email Nov. 9, 2022

No planned activity for balance of 2022 or in 2023.

Journey Energy: Dale Guidi

No Update.

Comment: Residents would like to see attendance of Journey representative due to the proximity of operations.

Zorianna will follow up with Journey to encourage attendance at the next meeting.

Farmers Advocate Office: Darcy Allen

No update.

County of Wetaskiwin: Kathy Rooyakkers

No Update.

COMMUNITY UPDATES:

Louis Bull Tribe: Melanie Daniels

No Update

Battle River Watershed Alliance: Sarah Skinner

Via email:

Sarah will invite Caleb to come to the Feb. 2nd meeting to present on the ALMS LakeWatch/LakeKeepers reports.

https://alms.ca/wp-content/uploads/2021/12/WLK 2020-2021 Final 20211202.pdf https://alms.ca/wp-content/uploads/2021/02/WLK 201920 FINAL 20210201.pdf https://alms.ca/wp-content/uploads/2020/05/WinterLakeKeepers 2019-Final.pdf

Dave Doze: Who was active on the lease south of highway south of 4H Center? Activity there now. NW-1-46-2-W5. Update with information found online. OneStop and AER Well list.

Bob Whiteside:

Concerned with use of Baytex lease road by squatters nearby. Motorhomes near the lease, people and children on the lease site. No sewer disposal, large firepits near lease and under large tree bows. Genuine concern for safety.

Baytex has no trespass signs. Alternative action would require police intervention.

Michael Black:

Please have Baytex field supervisor extend a reminder for contractors to keep garbage off roads. Keep contained. Michael cleans up the road and ditches regularly. Also remind on use of engine brakes.

Sign at TWP 464 & RR 21 has been vandalized. Will need to be replaced.

Ken Jenny: Noise increased with Baytex, and Journey activities having increased.

Journey activity – contractor who watered the road saturated it resulted in excessive wear and tear. Traffic in the middle of the night as well on RR 20 north of campground.

Reminder to sub-contractors (lease sprayers) on driving habits. Near miss in July blowing through stop sign. Maybe approach landowner regarding tree removal to improve visibility.

Battle Lake Watershed Pilot Project Reports:

https://www.battleriverwatershed.ca/wp-content/uploads/2021/05/Battle-Lake-Watershed-Development-Planning-Pilot-Project-2006-Summary-Report.pdf

ERCB Review of the Battle Lake Watershed Development Planning Pilot Project, March 2011: https://static.aer.ca/prd/documents/reports/BattleLakeReport March2011.pdf

Meeting Dates for 2023:

February 2, 2023 May 4, 2023 September 7, 2023 November 2, 2023

ATTENDANCE LIST

INDIVIDUAL	REPRESENTING
Paul McLauchlin	Facilitator
Linda Black	Admin
Zoriana Wood	AER
Shane Koss	Baytex
Murray Phillips	Baytex
Michael Black	Resident
Ken Jenny	Resident
Bob Whiteside	Resident

^{*}Options for zoom or call in will be utilized as necessary for meetings to accommodate COVID restrictions of that time.