

---

MADE at the City of Edmonton, in the  
Province of Alberta, on

October 29, 2015

ALBERTA ENERGY REGULATOR

---

**Under section 104 of the *Oil and Gas Conservation Act***

Bonavista Energy Corporation (A5RX)  
1500, 525 – 8<sup>th</sup> Avenue SW  
Calgary, AB, T2P 1G1

(“Bonavista”)

WHEREAS Bonavista is the holder of gas plant facility license 12454 located at 16-11-054-15 W5M (“The Facility”);

WHEREAS the presence of sulfolane was detected in supply water wells at the Facility in 2014;

WHEREAS sulfolane is known to be hazardous to the public and to the environment;

WHEREAS Bonavista undertook a water sampling program of neighbouring domestic and livestock water wells, and in March 2014 sulfolane was detected in domestic water wells S27, S28, and S29 located on private lands at 16-13-054-15 W5M (“impacted water wells”) in concentrations exceeding the Canadian Council of Ministers of the Environment (CCME) Guidelines for Canadian Drinking Water Quality;

WHEREAS Bonavista provided a temporary water supply to affected landowners, and installed new water wells to provide a more permanent water source;

WHEREAS attempts to provide the affected landowners with alternative water wells that provide potable water and meet the Landowner’s domestic and agricultural needs have not succeeded;

WHEREAS the Landowner has informed the AER of the immediate need for adequate safe water for domestic and agricultural use;

WHEREAS it appears to the AER that sulfolane escaped from the Facility or from an unidentified source associated with the Facility and cannot be cleaned up forthwith;

WHEREAS the Director is of the opinion that alternative potable water must be provided to ensure the safety of the public and the environment;

THEREFORE, I, Shaunna Cartwright, Director, Closure & Liability, pursuant to section 104 of Oil and Gas Conservation Act, DO HEREBY ORDER that Bonavista shall do the following:

- 1) Immediately provide an alternative potable water source, that meets the current demands of domestic and livestock use to the Landowner, not less than 2.5 million gallons per year, until Bonavista

provides a long term water supply solution, both domestic and agricultural, to the satisfaction of the AER. This includes

- a. Water quality that meets the Canadian Council of Ministers of the Environment (CCME) Guidelines for Canadian Drinking Water Quality
  - b. Water quantity that meets the demands of the Landowner's operations and domestic use.
- 2) Provide Bonavista's plan to provide the potable water referred to in clause 1 in writing to the AER no later than 4:00 p.m. on October 30, 2015;
  - 3) Commencing immediately Bonavista shall report to the AER regarding its measures to provide an alternate potable water source at least weekly to Matthew Stewart (780-642-9225; [matthew.stewart@aer.ca](mailto:matthew.stewart@aer.ca)) by 12 noon on each Wednesday unless otherwise directed in writing by the Director.

DATED at the City of Edmonton in the Province of Alberta, the 29<sup>th</sup> October, 2015.



---

Shauna Cartwright  
Director, Closure and Liability  
Alberta Energy Regulator

Notwithstanding the above requirements, the Parties shall obtain all necessary approvals in complying with this Order.

Take notice that this Order in no way precludes any enforcement proceedings being taken regarding this matter under the *Oil and Gas Conservation Act* or any other provincial or federal legislation, or by any other regulator having jurisdiction.

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, [www.aer.ca](http://www.aer.ca), under Applications & Notices: Appeals.