

Via Email

December 7, 2016

Alberta Energy Regulator

Calgary Head Office Suite 1000, 250 – 5 Street SW Calgary, Alberta T2P 0R4 Canada

www.aer.ca

Attention: Rick Palmer

Attention: Ashley Garbe, Counsel for Public

Lands

Dear Mr. Palmer and Ms. Garbe:

Canadian Natural Resources Limited

Re: Regulatory Appeal Proceeding No. 1864625

Formal Disposition Application Refusal

Mineral Surface Lease 160356; Licence of Occupation 160403

On behalf of the Alberta Energy Regulator (AER) I acknowledge receipt of Canadian Natural Resources Limited's (CNRL) correspondence dated December 1 and 6, 2016 and the Public Lands group's letter of December 2, 2016. The parties advise that the Public Lands group and CNRL have agreed to a resolution agreement (Agreement) that resolves the concerns of CNRL. The Agreement requires the revocation of the Public Land's decision dated July 8, 2016 (Decision) for which CNRL sought regulatory appeal so that CNRL's applications for Mineral Surface Lease 160356 and Licence of Occupation 160403 can continue to be processed.

I note that the Decision meets the definition of an "appealable decision" as defined in section 36(a)(iii) of the Responsible Energy Development Act (REDA) as it meets the requirements in sections 211 and 212 of the Public Lands Administration Regulation and section 121(1) of the Public Lands Act. Under section 36(b)(i) of the REDA, CNRL is an eligible person and its regulatory appeal request has not been dismissed. Therefore by operation of statute, CNRL is eligible for a regulatory appeal. As the concerns of CNRL have been resolved through the Agreement, there is no requirement to hold a hearing into this regulatory appeal. I also note that the AER decision maker of the appealable decision is a party to the Agreement.

Therefore, pursuant to section 41(2) of *REDA*, the appealable decision is revoked and the applications for Mineral Surface Lease 160356 and Licence of Occupation 160403 are reinstated for continued processing and determination by Public Lands as per its normal process.

Sincerely,

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Alex Bolton

Chief Hearing Commissioner