
Made at City of Grande Prairie, in the
Province of Alberta, on

July 12, 2019

ALBERTA ENERGY REGULATOR

**Under Section 113 and 241 of the *Environmental Protection and Enhancement Act*
Under Section 29 of the *Pipeline Act***

Seven Generations Energy Ltd.

4400, 525 8 Avenue SW
Calgary, AB T2P 1G1

(Seven Generations)

Whereas Seven Generations is the licence holder and owner of a 6.9 kilometre (km) pipeline, AER licence P47307 Line 001 issued by the Alberta Energy Regulator (AER) under the *Pipeline Act* authorizing the Licensee to the construct and operate a pipeline to transport natural gas from 09-32-64-4W6M to 6-26-64-4W6M(Pipeline);

Whereas at approximately 18:00 hrs on July 11, 2019, Seven Generations reported a pipeline failure at 04-27-64-04W6M (Site) to the AER that it became aware of on July 11, 2019 at 1500 hours (Failure);

Whereas the Site is approximately 61 km SE of Grande Prairie, Alberta;

Whereas Seven Generations reported to the AER the Failure had resulted in a release of an unknown volume of condensate, produced water and hydrocarbon gas (Substances) from the Pipeline (Release);

Whereas the Substances are known to cause an adverse effect on the environment;

Whereas an AER inspector inspected the Site on June 11 and 12, 2019 and confirmed the presence of condensate at the Site, and that the Substances had migrated to an adjacent forested area and had entered Musreau creek (Affected Area);

Whereas the AER's inspection has confirmed the presence of sheen on Musreau Creek;

Whereas Seven Generations has advised the AER that the Pipeline has been isolated, de-pressured and voluntarily suspended;

Whereas Seven Generations has not yet established containment of the Substances;

Whereas Seven Generations has taken action to diverted the flow of water from the Site and affected area;

Whereas Seven Generations has identified potential control points along the Musreau Creek to recover condensate and has commenced sampling of Musreau Creek, Kakwa River and Smokey River;

Whereas Seven Generations has activated its emergency response plan and established an incident command structure;

Whereas Seven Generations has deployed spill response equipment and resources to the Affected Area;

Whereas Candace MacDonald, Manager Field Operations Grande Prairie/High Level, Environment & Operational Performance Branch, has been appointed a Director for the purposes of issuing environmental protection orders under the *Environmental and Protection and Enhancement Act*, and has the authority to order the operation of a pipeline be suspended under the *Pipeline Act* (“the Director”);

Whereas the Director is of the opinion that a release of a substance or substances into the environment has occurred, and that the substance has caused, is causing, or may cause an adverse effect, and remedial work is required to mitigate the adverse effects, including on the spill site and surrounding areas, affected waterbodies, shoreline area, aquatic life, and affected wildlife as a result of the Release;

Whereas Seven Generations is a “person responsible” for the Substances, as defined in section 1(tt) of *EPEA*;

Whereas the Director is of the opinion that as a result of the Failure the equipment or installation at the Pipeline is improper, hazardous, inadequate or defective and that remedial measures must be taken and proper, safe and adequate equipment must be used;

Therefore, I, Candace MacDonald, Manager Field Operations Grande prairie/High Level, Environment & Operational Performance Branch, under section 29 of the *Pipeline Act* and section 113 of the *Environmental and Protection and Enhancement Act*, do hereby order Seven Generations to do the following:

Suspend Operations

1. Immediately suspend the operations authorized under licence number P47307 line 1 until further notice in writing by the Director.

Immediate Containment, Mitigation and Assessment of Public Safety

2. Immediately contain the Substances and prevent the further release or migration of the Substances to the environment.
3. Immediately identify and report to the Director any potentially affected parties that could be adversely affected by the Release including but not be limited to domestic, indigenous, agricultural and recreational users of lands and waterbodies affected.
4. Immediately control public access to the site .

5. On or before 4 pm on July 15th, 2019 submit to the satisfaction of the Director, a Containment and Mitigation Plan that includes the actions to be taken to contain the released Substances and to mitigate any adverse effects or damage to the environment.
6. Implement the Containment and Mitigation Plan as authorized in writing by the Director.

Sampling and Monitoring Plan

7. Immediately commence sampling, at a minimum, once per 24 hour period, for hydrocarbons and chlorides in the affected and potentially affected waterbodies, until otherwise directed in writing by the Director.
8. Report to the Director by 4 pm of each day the results of the sampling until otherwise directed in writing by the Director.
9. On or before 4pm on July 15th, 2019 submit to the satisfaction of the Director, a comprehensive short and long term Sampling and Monitoring Plan , which shall include:
 - a. the locations and frequencies of all samples that will be taken;
 - b. confirmation that standard test methodology with a detection limit below the Environmental Quality Guidelines for Alberta Surface Waters (AEP,2018) will be used;
 - c. field collection protocols; and
 - d. confirmation that all samples will be analysed at CAEL-accredited laboratories, by qualified taxonomists, or by other specialists appropriate to the sample type.
10. Implement the Sampling and Monitoring Plan as authorized in writing by the director.

Wildlife Plan

11. Immediately conduct an assessment of impacted fish & wildlife. Wildlife shall include, at a minimum, mammals, birds, reptiles and amphibians.
12. Submit the Fish & Wildlife Mitigation Plan to the satisfaction of the Director on or before 4pm July 15th, 2019.
13. The Fish & Wildlife Mitigation Plan shall include, at a minimum:
 - a. The steps taken to find and assess impacted fish & wildlife;
 - b. the steps taken to prevent impacts to fish & wildlife, and their habitat;
 - c. a plan for the rehabilitation of impacted fish & wildlife, and their habitat;
 - d. a plan for the humane euthanasia of impacted fish & wildlife; and
 - e. a plan for the reporting of the results and associated timelines to the Director.
14. Implement the Fish & Wildlife Mitigation Plan as authorized in writing by the Director
15. In carrying out the requirements of this Order and the Fish & Wildlife Mitigation Plan, Seven Generations shall obtain and comply with all required federal and provincial permits and governing legislation.

16. Report to the Director by 4 pm of each day an updated inventory of impacted fish & wildlife, until otherwise directed in writing by the Director.

Detailed Delineation and Remediation Plan

17. Submit a detailed Delineation and Remediation Plan to the satisfaction of the Director on or before 4pm July 15th, 2019.

18. The Detailed Delineation and Remediation Plan shall include:

- a. A detailed plan to delineate the full extent (vertical and lateral) of the Substances, if any, in the soils, subsoils and groundwater, of any areas affected by the Release, including methods and techniques for delineating the Substances;
- b. All of the steps that will be taken to remediate the Substances identified during the delineation at all locations where they are present, including the methods and remedial techniques that will be employed;
- c. The steps that will be taken for the transportation and disposal of the Substances that are recovered from any affected soils, subsoils and/or groundwater; and
- d. A schedule of implementation for the Detailed Delineation and Remediation Plan for approval by the Director.

19. The remedial work described in the Detailed Delineation and Remediation Plan shall at least meet the following criteria:

- a. For the remediation of soil, subsoil and groundwater, the Alberta Tier 1 Soil and Groundwater Remediation Guidelines, as amended.

20. Implement the Detailed Delineation and Remediation Plan as authorized in writing by the Director.

Waste Management Plan

21. Submit a Waste Management Plan to the satisfaction of the Director on or before 4pm July 15th, 2019.

22. The Waste Management Plan shall ensure that all waste is managed, stored, classified and transported in a manner that meets all applicable acts, rules and directives.

23. Implement the Waste Management Plan as authorized in writing by the Director.

Pipeline Failure and Release Prevention Plan

24. Submit a Pipeline Failure and Prevention Plan which will include the actions to be taken to prevent future releases for all high risk lines operated by Seven Generations to the satisfaction of the Director on or before September 3rd, 2019.

25. Implement the recommendations in the Pipeline Failure and Prevention Plan as authorized in writing by the Director.
26. The Pipeline Failure and Release Prevention Plan must be implemented by October 1st, 2019.

Reporting to the Director and the Public

28. Provide to the Director, by 4pm each day, a daily written report (the “Director’s Report”), until otherwise directed by the Director in writing.
29. The Director’s Report shall contain:
 - a. the steps taken in the last 24 hours to remediate the Substances; and
 - b. the steps to be taken in the next 24 hours.
30. Submit a Communications Plan for notification of the potentially affected parties identified in (3) to the satisfaction of the Director on or before 4 pm on July 15th, 2019.
31. Implement the Communications Plan as authorized in writing by the Director.
32. Report to the Director by 4 pm each day following the issuance of this order, a list of parties and times they were notified, until otherwise directed in writing by the Director.
33. Provide to the public by 2 pm each day, commencing no later than July 15, a daily written report (the “Daily Public Reports”) that shall be posted, at a minimum, on Seven Generations website until otherwise directed by the Director in writing. The Daily Public Report shall contain:
 - a. the steps taken in the last 24 hours to remediate the Substances; and
 - b. the steps to be taken in the next 24 hours.

The Final Report

34. The Company shall submit to the Director a final report (“Final Report”) within 45 days of the completion of all the work required in compliance with this Order, summarizing such work and including verification that the work has met all standards and criteria as specified by the Director.

General

35. Copies of all federal and provincial permits obtained in the implementation of the work required by this Order shall be provided to the Director upon receipt.
36. All Plans required by this Order must be prepared and implemented by a qualified environmental professional.
37. All Plans and Reports to be submitted to the Director under this order shall be submitted electronically to grandeprairie.fieldcentre@aer.ca.

38. Where a deadline or reporting frequency has been specified in this Order, the Director may authorize in writing a different deadline or reporting frequency as applicable.

Dated at the City of Grande Prairie in the Province of Alberta, the 12 day of July 2019.

<original signed by>

Candace MacDonald

Manager, Field Operations Grande Prairie/High Level, Environment & Operational Performance Branch
Alberta Energy Regulator

In complying with this order, the party or parties named must obtain all approvals necessary, notwithstanding the above requirements.

This order in no way precludes any enforcement actions being taken regarding this matter under the *Pipeline Act* or the *Environmental Protection and Enhancement Act* or any other provincial or federal legislation, or by any other regulator with jurisdiction.

All enforcement actions issued by the AER may be subject to a follow-up review to confirm previous commitments have been completed and measures have been implemented, to ensure similar noncompliances are prevented in the future. The AER may request any information that demonstrates steps have been taken to prevent repeat noncompliances from occurring.

Under the *Responsible Energy Development Act*, an eligible person may appeal decisions that meet certain criteria. 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 according to the AER's requirements. You can find filing requirements and forms on the AER website, www.aer.ca, under Applications & Notices: Appeals.