
Made at Red Deer, in the
Province of Alberta, on

May 12, 2026

ALBERTA ENERGY REGULATOR

Under Sections 113 of the *Environmental Protection and Enhancement Act (EPEA)*

Prairie Mines & Royalty ULC (0D99)
Suite 1270, 5555 Calgary Trail NW
Edmonton, AB T6H 5P9

(Prairie Mines, or the Permit Holder, or the Licensee, or the Approval Holder)

WHEREAS Prairie Mines and Royalty ULC is the holder of Business administration code 0D99 and is the licence holder of Coal Permit Number: C2005-6H, and Coal Mine Number: 1778;

WHEREAS Prairie Mines reported to the AER May 07, 2026 at 5:00 P.M. the release of a substance to the environment (the Release);

WHEREAS Prairie Mines reported an unauthorized discharge of sediment laden water into the Lovett River (fish bearing) located at SW-16-047-19-W5M;

WHEREAS sediment laden water (the Substances);

WHEREAS the Substances are a substance, as defined in section 1(mmm) of *EPEA*;

WHEREAS Prairie Mines is a person responsible for the Substances, as defined in section 1(tt) of *EPEA*;

WHEREAS the Substances are known to cause an adverse effect to the environment;

WHEREAS Prairie Mines has advised the AER that the berm was repaired and additional pump installed;

WHEREAS on May 8, 2026, AER Inspector Craig Plitt (Plitt) visited the Site and confirmed that a berm had been constructed to contain water around a construction site toppled due to increased water from ice melt. Plitt observed two high volume pumps in the water containment area. Plitt was told that a second pump had been added on May 7, 2026, the same day the berm was fixed. Plitt observed no sediment control measures to limit erosion from side hills. Plitt observed severe erosion on the downhill side of the construction. Plitt observed sediment deposited in the unnamed tributary to the Lovett River. At the

confluence of the tributary and the Lovett River a large quantity of sediment was discovered in the Lovett River;

WHEREAS Heath Matthews, Manager, Field Operations South (the Manager) has the authority to issue orders pursuant to section 113 of the *EPEA*;

WHEREAS the Manager is of the opinion that the release of a substance into the environment has occurred, and the substance has caused, is causing, or may cause an adverse effect, and remedial work is required to mitigate adverse effects, including on the incident site and surrounding areas affected by the released substance.

Therefore, I, Heath Matthews, Manager, Field Operations South, under section 113 of *EPEA*, do hereby order Prairie Mines to do the following:

Immediate Actions

1. Immediately contain the Substances and prevent the further release or migration of the Substances to the environment.
2. Immediately identify and report to the Manager 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.
3. Immediately assess impacts to fish and wildlife, which shall include, at a minimum, mammals, birds, reptiles and amphibians.
4. Immediately provide the Manager a report of all actions taken once the Release was discovered;

Daily Reporting

5. Provide to the Manager, by 2:00 P.M. each day, a daily written report (the Manager's Report), until otherwise directed by the Manager in writing which shall include, at a minimum:
 - a. The steps taken in the last 24 hours to mitigate the effects of the Release and remediate the Substances;
 - b. The steps to be taken in the next 24 hours;
 - c. List of parties and times they were notified;
 - d. Any relevant observations or records made during the collection of samples made pursuant to the sampling program, including but not limited to, the locations where each sample was collected; and
 - e. The results and analysis of all samples collected with highlights of the parameters that exceed environmental standards.

Containment and Mitigation Plan

6. On or before May 12, 2026, by 3:00 P.M. submit to the satisfaction of the Manager, a Containment and Mitigation Plan (the Containment and Mitigation Plan) that addresses the containment of the released Substances and mitigation of any actual or potential adverse effects and or damage to the environment.
7. Implement the Containment and Mitigation Plan as authorized in writing by the Manager.

Sampling and Monitoring Plan (soil, groundwater, vegetation, waterbodies, wetlands)

8. On or before May 12, 2026, by 3:00 P.M. submit to the satisfaction of the Manager, a comprehensive short and long-term Sampling and Monitoring Plan (the Sampling and Monitoring Plan) to continue to demonstrate the extent of the affected areas, which shall include, at a minimum:
 - a. The locations and frequencies of all samples that will be taken;
 - b. The sampling program must follow an approved methodology with a detection limit below the relevant environmental standards, which may include the environmental quality standards (EQS) for surface water, unless otherwise authorized in writing by the Director;
 - c. Details of proposed field collection protocols;
 - d. Confirmation that all samples will be analysed at a laboratory accredited through the Canadian Association of Laboratory Accreditation Inc. (CALA-accredited laboratories), by qualified personnel or by other specialists appropriate to the sample type; and
 - e. Details of proposed frequency of reporting to the Manager and the contents of the reports.
9. Implement the Sampling and Monitoring Plan as authorized until otherwise directed by the Manager in writing.

Fish and Wildlife Mitigation Plan

10. On or before May 15, 2026, by 3:00 P.M. submit to the satisfaction of the Manager, a Fish and Wildlife Mitigation Plan (the Fish and Wildlife Mitigation Plan), which shall include, at a minimum:
 - a. The steps taken to locate and assess impacted fish and wildlife;
 - b. The steps taken to prevent impacts to fish and wildlife, and their habitat;
 - c. A plan for the rehabilitation of impacted fish and wildlife, and their habitat;
 - d. A plan for the humane euthanasia of impacted fish and wildlife; and

- e. A plan for the reporting of the results and associated timelines to the Manager.

11. Implement the Fish and Wildlife Mitigation Plan as authorized in writing by the Manager.

Impact Assessment

12. On or before May 19, 2026, by 3:00 P.M. submit to the satisfaction of the Manager a report detailing the extent of the Release, the areas and habitats impacted and feasible remediation options to contain and remove the Substances prior to it being mobilized again and entering the Lovett River;

Remedial Action Plan

13. On or before May 19, 2026, by 3:00 P.M. submit to the satisfaction of the Manager a detailed Remedial Action Plan (the Remedial Action Plan), which shall include, at a minimum:

- a. Results of the delineation completed (vertical and lateral) of the Substances, in the soil, waterbodies, wetlands, including methods and techniques for delineating the Substances.
- b. Detail of the remedial measures (i.e., the proposed mechanism) that will be taken to remove the Substances with details of transportation and disposal as needed and the timeline for removal.
- c. Monitoring (soil, surface and groundwater,) to evaluate the effectiveness of the remedial measures and exposure control / containment measures, including:
 - i. Monitoring frequency, monitoring locations, testing suites, confirmation of methodologies etc. (as above).
- d. Identification of triggers indicating failure of the remedial measures or exposure control/containment measures and details of the responses to these.
- e. A schedule of implementation for the Remedial Action Plan.

14. Implement the Remedial Action Plan as authorized in writing by the Manager.

The Final Report

15. The Company shall submit to the Manager a final report (Final Report) within **30 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 Manager.

General

16. In carrying out the requirements of this Order and the Fish and Wildlife Mitigation Plan, Prairie Mines shall obtain and comply with all required federal and provincial permits and governing legislation and provide to the AER all authorizations obtained immediately upon receipt.
17. All Plans required and work to be performed works required by this Order must be prepared and implemented by a qualified professional.
18. All Plans and Reports to be submitted to the Manager under this order shall be submitted to FieldOpsSouth@acr.ca and heath.matthews@acr.ca ;
19. Where a deadline has been specified in this Order, the Manager may authorize in writing a different deadline or reporting frequency as applicable.

Dated at the City of Red Deer in the Province of Alberta, the 12 day of May 2026.

<original signed by>

Heath Matthews
Manager, Field Operations South
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 *Environmental Protection and Enhancement Act* or any other provincial or federal legislation, or by any other regulator with jurisdiction.

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 and Notices: Regulatory Appeal Process.