



ENVIRONMENTAL PROTECTION AND ENHANCEMENT ACT

BEING CHAPTER E-12 R.S.A. 2000 (the "Act")

ENVIRONMENTAL PROTECTION ORDER NO. EPO-2014/02-SSR

ConocoPhillips Canada Resources Corp.
401 – 9 Avenue SW
Calgary, Alberta T2P 2H7

-and-

Bonavista Energy Corporation
1500, 525 – 8 Avenue SW
Calgary, Alberta T2P 1G1

WHEREAS Melba Loraine Eckstrand of Carstairs, Alberta is the current registered owner of the lands legally described as NW-14-29-3 W5M located in Mountain View County [the "Lands"].

WHEREAS ConocoPhillips Canada Resources Corp. (CPC) is the holder of EPEA Approval No. 10955-02-00 for the reclamation of the Crossfield Sour Gas Processing Plant [the "Plant"] located on LSD 11 of Lands and is the holder of a surface lease on the Lands.

WHEREAS CPC is the successor to Gulf Canada and all others entities whom have been directly related to the operation of the Plant since September 28, 1981, when the well was re-entered.

WHEREAS Bonavista Energy Corporation (BV) obtained Alberta Energy Regulator (AER) well licence #00192345 from CPC on January 15, 2003.

WHEREAS AER well licence #00192345 identifies well site location as 11-14-29-3 W5M - LSD 11 of Lands. Survey plans identify that well licence #00192345 and the plant in Approval No. 10955-02-00 share a complete overlap of physical surveyed footprint [the "Well and Plant Site"].

WHEREAS Terex Environmental Group prepared a summary report entitled *Environmental Review Former Crossfield Gas Plant 11-14-029-03 W5M* in February 2012 ["Terex Report"].

WHEREAS the Terex Report identifies parameters in groundwater exceeding the *Alberta Tier 1 Soil and Groundwater Remediation Guidelines*, December 2010 as amended [the "Tier 1 Guidelines"] on the Well and Plant Site and extending beyond the boundaries of the Well and Plant Site; and identifies parameters in soil exceeding Tier 1 Guidelines on the Well and Plant Site and in close proximity to the boundaries of the Well and Plant Site [the "Contamination"].

WHEREAS the parameters identified in the Terex Report include: petroleum hydrocarbons (including: liquid phase, dissolved phase, fractional, BTEX), chloride and metals. [the "Substances"].

WHEREAS no further site investigations or soil/groundwater sampling events have been undertaken by CPC or BV since 2010 as summarized in the Terex Report.

WHEREAS to date, CPC and BV have not conducted remedial work regarding the Substances and Contamination off of the Well and Plant Site.

WHEREAS Craig Knaus, District Compliance Manager, South Saskatchewan Region [the "Director"] has been appointed a Director under the Act for the purposes of issuing environmental protection orders.

WHEREAS the Director is of the opinion that a release of the Substances into the environment has occurred on and off of the Well and Plant Site; and that the Substances are the result of the activity of CPC, BV or both at the Well and Plant Site; and that the release of Substances has caused and may continue to cause an adverse effect to the environment.

WHEREAS the Director is of the opinion that additional investigation and sampling is required to delineate the Substances and Contamination migrating off of the Well and Plant Site and remedial action is required.

WHEREAS CPC and BV [the "Parties"] are persons responsible for the Substances pursuant to section 1(tt) of the Act.

THEREFORE, I, Craig Knaus, Director, pursuant to section 210(1) of the Act, DO HEREBY ORDER THAT:

1. The Parties shall by **June 16, 2014**, submit a written Delineation Plan, prepared by a qualified environmental professional, to the Director for approval [the "Delineation Plan"].
2. The Parties shall include in the Delineation Plan at minimum, all of the following:
 - (a) A proposal for:
 - i. The identification of all substances in, on or under the Well and Plant Site including all soils, sub-soils and groundwater which may act as a source for the lateral and vertical migration of substances off Well and Plant Site; and
 - ii. the delineation of all substances in, on or under all off-Site areas, including the North, South, West and East of the Well and Plant Site, to which the substances may have migrated including all soils, sub-soils and groundwater.
 - (b) A schedule of implementation for the Delineation Plan, with:
 - i. a commencement date of no later than **September 2, 2014**; and
 - ii. a completion date of no later than **November 3, 2014**.

3. The Parties shall undertake the work set out in the Delineation Plan in accordance with the schedule of implementation as approved by the Director.
4. The Parties shall by **March 2, 2015**, submit a written Remediation Plan, prepared by a qualified environmental professional, to the Director for approval [the "Remediation Plan"].
5. The Parties shall include in the Remediation Plan at minimum, all of the following:
 - (a) A proposal for:
 - i. the remediation of all substances in, on or under the Well and Plant including all soils, sub-soils and groundwater; and
 - ii. the remediation of all Substances in, on or under all off-Site areas, including the North, South, West and East Properties, to which the Substances may have migrated including all soils, sub-soils and groundwater.
 - (b) A detailed description of the work that will be undertaken for both on-Site and off-Site areas to meet the Tier 1 Guidelines; and
 - (c) A schedule of implementation to implement the Remediation Plan, with a commencement date of no later than **June 5, 2015**.
6. The Parties shall implement the work set out in the Remediation Plan in accordance with the Schedule of Implementation as approved by the Director.
7. The Parties shall submit status reports to the Director:
 - (a) On or before the end of each quarter (March 31, June 30, September 30, December 31) starting June 30, 2014 and continuing up to and including June 30, 2016.
 - (b) Annually thereafter, on or before June 30 of each calendar year, until completion of the remedial work set out in the Remediation Plan or until otherwise directed by the Director in writing.
8. In each Status Report, the Parties shall include all of the following information:
 - (a) the work done pursuant to this Order and the Remediation Plan in the previous quarter or annum as the case may be; and
 - (b) the work planned for the following quarters or annum as the case may be.

9. Within 30 days of the completion of the work required by the Remediation Plan, the Parties shall submit a final written report [the "Final Report"] to the Director detailing all the remedial work conducted, including confirmatory sampling, on and off of the Well and Plant Site to comply with the Order.

DATED at the City of Calgary in the Province of Alberta, this 21st day of March 2014.

Original signed by:

Craig Knaus
District Compliance Manager
South Saskatchewan Region

Section 91 of the *Environmental Protection and Enhancement Act* may provide a right of appeal against this decision to the Alberta Environmental Appeals Board. There may be a strict time limit for filing such an appeal. A copy of section 91 is enclosed. For further information, please contact the Board Secretary at #306 Peace Hills Trust Tower, 10011 – 109 Street, Edmonton, Alberta, T5J 3S8; telephone (780) 427-6207; fax (780) 427-4693.

Notwithstanding the above requirements, the Party(ies) shall obtain all necessary approvals in complying with this order.

Take notice that this enforcement order is a remedial tool only, and in no way precludes any enforcement proceedings being taken regarding this matter under this Act or any other legislation.