

**EMISSIONS MANAGEMENT AND CLIMATE RESILIENCE ACT**

**BEING SA 2003 CHAPTER E-7.8 (the "Act")**

**COMPLIANCE ORDER NO. CO-EMCRA-40800**

Long Run Exploration Ltd.  
600, 600 3rd Avenue SW  
Calgary, Alberta  
T2P 0G5

WHEREAS on January 10, 2020, the director designated a group of conventional oil and gas facilities as an aggregate facility ("AG81: Long Run Exploration Ltd.") under section 5(3) of the *Technology Innovation and Emissions Reduction Regulation* (the "Regulation");

WHEREAS AG81: Long Run Exploration Ltd. is an "aggregate facility" under section 1(1)(b) of the Regulation;

WHEREAS 2020 was the first year for which AG81: Long Run Exploration Ltd. was designated as an aggregate facility under section 5(3) of the Regulation;

WHEREAS Long Run Exploration Ltd. ("Long Run") is the "person responsible" for AG81: Long Run under section 1(2)(c)(i) of the Regulation;

WHEREAS Long Run submitted a compliance report ("Compliance Report") to Alberta Environment and Protected Area ("EPA") for AG81: Long Run for the 2022 compliance year on June 30, 2023, under section 15(2) of the Regulation;

WHEREAS AG81: Long Run's allowable emissions for 2022 was 114,694 tonnes, expressed on a CO<sub>2e</sub> basis, under section 10(1) of the Regulation;

WHEREAS the Compliance Report indicated AG81: Long Run's net emissions for 2022 was 131,695 tonnes, expressed on a CO<sub>2e</sub> basis, which exceeded AG81: Long Run's allowable emissions for 2022 by 17,001 tonnes of CO<sub>2e</sub>;

WHEREAS under section 12(2) of the Regulation, the person responsible for an aggregate facility shall comply with the requirement that the net emissions for the aggregate facility for a year shall not exceed the allowable emissions for the aggregate facility for the year;

WHEREAS in an email sent to the EPA on June 28, 2023, by Jeffrey Latonas (Horizon Compliance), cc'd to John Zhao, Chief Operating Officer (AG81's Certifying Official), a payment schedule was proposed to meet the 2022 compliance obligation;

WHEREAS in a meeting with EPA on July 12, 2023, the Chief Operating Officer of Long Run stated that it is their intention to pay their portion however, require a payment schedule for four installments in August, September, October and November;

WHEREAS section 10(1) of the Act establishes the Technology Innovation and Emissions Reduction Fund (“Fund”);

WHEREAS the Minister may, by order, establish the amount of money that a person responsible must contribute to the Fund to obtain one fund credit;

WHEREAS under Ministerial Order 62/2022 – Technology Innovation and Emissions Reduction Fund Credit Amount Order, a person responsible must contribute \$50.00 to the Fund to obtain one fund credit for the year 2022;

WHEREAS one fund credit represents one CO<sub>2</sub>e tonne, under section 21(3) of the Regulation;

WHEREAS the total cost for Long Run to purchase 17,001 fund credits prior to June 30, 2023, at a rate of \$50.00 per fund credit for 2022 would have been \$850,050.00;

WHEREAS the deadline in section 15(2) of the Regulation to submit a compliance report for 2022 was June 30, 2023;

WHEREAS on June 30, 2023, Long Run submitted payment in the amount of \$ 212,550.00 purchasing 4,251 fund credits;

WHEREAS as of July 12, 2023, Long Run has yet to submit the payment for the remaining 12,750 fund credits in the amount of \$637,500.00 for AG81 as required under section 12(2) of the Regulation;

WHEREAS Christina Winarski, Director of Conventional Oil and Gas & Cost Containment, Climate Regulation and Carbon Markets Branch (the “Director”) has been designated as director for the purposes of issuing compliance orders under the *Act*;

AND WHEREAS the Director is of the opinion that AG81 has contravened section 12(2) of the Regulation;

THEREFORE, I, Christina Winarski, Director, pursuant to sections 29 and 30 of the *Emissions Management and Climate Resilience Act*, DO HEREBY ORDER THAT:

Long Run Exploration Ltd. shall pay the Government of Alberta \$637,500.00 by November 30, 2023, to be paid into the Technology Innovation and Emissions Reduction Fund.

DATED at the City of Calgary, in the Province of Alberta, this 12 day of July, 2023.

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Christina Winarski  
Director, Conventional Oil and Gas & Cost Containment  
Climate Regulation and Carbon Markets

**Section 42 of the Emissions Management and Climate Resilience 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 42 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.**

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