

BY EMAIL

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

March 6, 2024

Wilson Laycraft
211 11 Ave SW, Suite 650
Calgary, AB T2R 0C6

www.aer.ca

Attention: Richard Harrison

Dear Mr. Harrison:

**Re: Coal Exploration Program (CEP) Approvals
CEP 190006
CEP 200001
CEP 200002**

I have been forwarded your letter to Patrick Fitzpatrick of January 9, 2024. In your letter you inquired about the status of reclamation for the above captioned CEPs and asked that Mr. Fitzpatrick confirm the Alberta Energy Regulator's plans for enforcing reclamation requirements for the CEP holders. I can respond to your inquiry as follows.

You will be familiar with the reconsideration decisions relating to the suspension or variance of the suspension of the subject CEPs that were issued on March 7, 2022 (**Reconsideration Decisions**) and were referred to in the AER's memorandum of argument filed November 9, 2023 in Court of Appeal file number 2101-0111AC (the **PTA Application**).¹

Through the course of the PTA Application, you have previously made similar inquiries regarding the status of these CEPs to the Government of Alberta on September 22, 2022, and to the AER on November 11, 2022. Alberta's response was provided by Kenneth Whitelaw of the Energy Legal Team on October 4, 2022, and the AER's response was provided by Meighan LaCasse on December 2, 2022.

As well, you and Mr. Parker were copied on a letter from Ms. LaCasse to Mr. Sutherland on March 7, 2023, explaining that if Mr. Sutherland's client had further inquiries in relation to their obligations as holders of CEP approvals, they should make those inquiries to the AER directly as specified in the Reconsideration Decisions, as they would for any day-to-day inquiries they may have as regulated parties.

¹ [AER Notice of Reconsideration and Suspension to Montem Resources Alberta Operations Ltd.](#), [AER Notice of Reconsideration and Variance of Suspension to Elan Coal Ltd.](#), [AER Notice of Reconsideration and Variance of Suspension to Cabin Ridge Project Ltd.](#),

Following Ms. LaCasse's March 7 letter, on March 16, 2023 the AER received a letter from Cabin Ridge Project Limited (**CRPL**) addressing, among other things, similar subject matter to the questions raised in your letter. I have enclosed copies of the related correspondence between CRPL and the AER. On June 19, 2023, the AER received a similar letter from Elan Coal Ltd. (**Elan**). I have enclosed copies of this letter and the AER's response, dated June 27, 2023.

My client also informs me that a similar answer was provided to Montem Resources Alberta Operations Ltd. in a telephone conversation, explaining that because the CEPs are suspended and not cancelled, the timelines and expiry dates in the CEPs are also suspended. Consistent with Ministerial Order 002/2022 and the Reconsideration Decisions, abandonment and reclamation activities are permitted but reclamation deadlines are suspended.

As expected by the Court in its reasons for denying the PTA Application, if the suspension of the CEPs is ever lifted, the AER will reconsider the validity of the previously issued approvals, consider material and relevant intervening events, and ensure that our decision-making process complies with the requirements of procedural fairness.

Sincerely,



William R. McClary
Legal Counsel, Alberta Energy Regulator

Encl.: March 16, 2023 Letter from CRPL to AER
April 12, 2023 Letter from AER to CRPL
April 26, 2023 Letter from CRPL to AER
May 18, 2023 Letter from AER to CRPL
June 19, 2023 Letter from Elan to AER
June 27, 2023 Letter from AER to Elan

Cc: Ron Kruhlak, K.C. & Sean Parker, McLennan Ross LLP
Sean Sutherland, Osler, Hoskin & Harcourt LLP



Cabin Ridge Project Limited
Corporate Access No. 202 228 9595
PO Box 15043 Aspen Woods PO
Calgary, AB T3H 0N8
CANADA

March 16, 2023

SENT BY EMAIL (rushang.joshi@aer.ca)

Alberta Energy Regulator
1000, 250 – 5 Street SW
Calgary, AB T2P 0R1

Attention: Rushang Joshi

Dear Mr. Joshi:

Re: Clarification of Suspension Period on Coal Exploration Permits

We write regarding the attached email correspondence of November 24 and a letter of December 2, 2022, in which the Alberta Energy Regulator (“AER”) interprets the suspension or pause on coal exploration permits (including Cabin Ridge’s CEP 200001) first issued in Ministerial Order 093/2021 and continued under Ministerial Order 002/2022 as applying to expiry dates for the subject approvals.

The AER provided this statement in response to a particular question from the MD of Ranchland No. 66’s counsel (see attached email correspondence of November 8, 2022).

In the context of legal proceedings commenced by the MD of Ranchland No. 66, Cabin Ridge’s legal counsel sought clarification regarding the AER’s views on the suspension period. Unfortunately, the AER’s counsel declined to provide an answer “for the purposes of [that] matter” but invited Cabin Ridge to contact the AER directly. A copy of that letter is attached.

This letter is Cabin Ridge’s attempt to get answers from the AER directly, in its regulatory capacity. These questions are important for Cabin Ridge to understand what its regulator expects of it, including in respect of reclamation activities following the Government of Alberta’s decision to impose an indefinite moratorium on coal exploration and development on Category 2 lands.

In particular, Cabin Ridge seeks answers to the following questions in respect of CEP 200001:

- (1) When does the AER say the suspension period started?
- (2) How does the AER see the suspension period applying to the operations expiry date?
- (3) How does the AER see the suspension period applying to the reclamation expiry date?

-
- (4) Is the suspension period different for the operations activities and the reclamation activities?

We look forward to hearing from you.

Yours truly,

A handwritten signature in black ink, appearing to read "BRJ" with a stylized flourish.

Brad Johnston

cc: Steven Van Lingen, *Alberta Energy Regulator*

April 12, 2023

By email only

Brad Johnston, Chief Executive Officer
Cabin Ridge Project Limited
PO Box 15043 Aspen Woods
Calgary, AB, T3H 0N8

Email: brad.johnston@crproject.biz

Clarification of Suspension Period on Coal Exploration Permit (CEP 200001) – Alberta Energy Regulator’s Response

Dear Mr. Johnston:

The Alberta Energy Regulator (AER) has reviewed Cabin Ridge Project Ltd.’s (CRPL) letter, dated March 16, 2023, seeking clarification of the suspension period in respect of CEP 200001.

The AER provides the following responses to the questions from CRPL in reference to CEP 200001.

Question (1) When does the AER say the suspension period started?

AER’s response:

- The suspension of all exploration related activities, as previously authorized by CEP 200001, started on April 30, 2021, and remains in effect until further notice.
 - The suspension of CEP 200001 started on April 30, 2021, and the suspension was to last until December 31, 2021, as directed by *Ministerial Order 093/2021, Coal Exploration Direction*, from the Minister of Energy.
 - On November 25, 2021, the AER extended the suspension until further notice, again as directed by the Minister of Energy.

Question (2) How does the AER see the suspension period applying to operations expiry date?

AER’s response:

- The suspension of all exploration related activities started on April 30, 2021, and remains in effect until further notice.
- This suspension period applies to the operational expiry date.

Question (3) How does the AER see the suspension period applying to reclamation expiry date?

AER's response:

- The suspension of all exploration related activities started on April 30, 2021, and remains in effect until further notice.
- This suspension period applies to the reclamation expiry date. As stated in the AER's March 7, 2022, letter, CRPL may proceed with abandonment and reclamation activities during the suspension period.

Question (4) Is the suspension period different for the operations activities and the reclamation activities?

AER's response:

- The suspension period for all operational activities related to coal exploration and any reclamation activities came in effect on April 30, 2021.
- As stated in the AER's March 7, 2022, letter, CRPL may proceed with abandonment and reclamation activities during the suspension period.
 - Based on the direction received from the Minister of Energy on March 4, 2022, the AER issued a reconsideration and variance of suspension letter to CRPL on March 7, 2022 which stated that CRPL can proceed with abandonment and reclamation activities during the suspension period while the suspension of exploration related activities continues to be suspended until written notice is provided by the AER.

Regards,



Rushang Joshi
Manager, Coal Mining,
Regulatory Applications
cc: Steven Van Lingen, AER



Cabin Ridge Project Limited
Corporate Access No. 202 228 9595
PO Box 15043 Aspen Woods PO
Calgary, AB T3H 0N8
CANADA

April 26, 2023

SENT BY EMAIL (rushang.joshi@aer.ca)

Alberta Energy Regulator
1000, 250 – 5 Street SW
Calgary, AB
T2P 0R1

Attention: Rushang Joshi

Dear Mr. Joshi:

Re: Follow-up Letter Respecting Clarification of Suspension Period on Coal Exploration Permits

Thank you for your letter dated April 12, 2023, which was provided to Cabin Ridge in response to our letter of March 16, 2023. In our letter of March 16, 2023, Cabin Ridge was seeking clarification to matters related to the suspension of our coal exploration permit CEP 200001, with said suspension undertaken as a consequence of Ministerial Orders 093/2021 and 002/2022.

This follow-up letter to the AER is a second attempt by Cabin Ridge to obtain important clarification directly from the AER for the purpose of unambiguously understanding what its regulator expects of it in light of the Ministerial Orders, and particularly in respect of reclamation activities.

The AER's responses to our questions 3 and 4 are unclear.

If the suspension period is lifted, what is the period of time (if any) that the AER says Cabin Ridge will have to carry out reclamation under the CEP?

This question is important because the CEP purports to give a hard expiry date of September 23, 2025 for reclamation.

For example, will the number of days from the AER's stated commencement date of suspension (April 30, 2021) to the end date of suspension be added to the date of September 23, 2025 such that the reclamation will be permitted to be completed at a later time than September 23, 2025? As at the date of this letter, the suspension has been in place for several hundred days with the days count continuing to increase.

Cabin Ridge needs to understand whether and how the AER is calculating a new deadline for the reclamation activities.

We look forward to hearing from you.

Yours truly,

A handwritten signature in black ink, appearing to read "BRJ" with a stylized flourish.

Brad Johnston

cc: Steven Van Lingen, *Alberta Energy Regulator*

May 18, 2023

Calgary Head Office
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By email only

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Brad Johnston, Chief Executive Officer

Cabin Ridge Project Limited

PO Box 15043 Aspen Woods

Calgary, AB, T3H 0N8

Email: brad.johnston@crproject.biz

Follow-up letter respecting clarification of suspension period on Coal Exploration Permit (CEP 200001) – Alberta Energy Regulator’s response

Dear Mr. Johnston:

The Alberta Energy Regulator (AER) has reviewed Cabin Ridge Project Ltd.’s (CRPL) letter, dated April 26, 2023, seeking further clarification of the suspension period and time for reclamation in respect of CEP 200001.

The AER provides the following response to the question from CRPL in reference to CEP 200001:

At this time and subject to further direction from the Government of Alberta, the AER expects to extend the expiry date for reclamation to account for the suspension time.

Regards,



Rushang Joshi
Manager, Coal Mining,
Regulatory Applications

cc: Steven Van Lingen, AER



June 19, 2023

SENT BY EMAIL (Rushang.Joshi@aer.ca)

CC. Steven.VanLingen@aer.ca

Alberta Energy Regulator
Suite 1000, 250 – 5 Street SW
Calgary, AB T2P 0R4

Dear Mr. Joshi:

We write regarding email correspondence (attached) provided in the MD of Ranchland No. 66’s permission to appeal proceeding in the Court of Appeal. In particular, we write in response to the AER’s invitation to contact the AER directly regarding Elan Coal’s obligations as holders of suspended Coal Exploration Permits, as per the table below (together, the “CEPs”).

Given the AER’s interpretation that the suspension period applies to expiry dates for the subject approvals, communicated on December 2, 2022, Elan Coal understands that the timing of its reclamation obligations under the CEPs are also suspended as of April 30, 2021, and the reclamation deadlines, outlined in the table below, therefore do not apply. Accordingly, subject to direction from the AER otherwise, Elan Coal intends continue care and maintenance and to commence reclamation activities in 2023, and intends to continue with reclamation activities through 2024 and 2025 and beyond as required, subject to any direction from the AER otherwise.

Please advise promptly if the AER does not agree with Elan Coal’s understanding of the suspension period and its impact on reclamation deadlines.

Elan Coal CEP Summary Table				
Project	CEP Number	Operation Expiry	Reclamation Expiry	Status
Elan South (formerly Grassy North)	170004	2020-03-20	2023-03-20	Active
Elan South	190001	2021-05-18	2024-05-28	Active
Isolation South	190005	2021-07-22	2024-07-22	Active
Isolation South	200002	2022-07-27	2025-07-27	Active

Sincerely,

Daniel Campbell

Daniel Campbell

June 27, 2023

Calgary Head Office
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By email only

www.aer.ca

Daniel Campbell, General Manager

Atrum Coal Ltd.

12907 Ave, Box 1380

Blairmore AB, TK 0E0

Email: daniel@atrumcoal.com

Elan Coal CEPs - Reclamation Expiry Date Clarification – AER’s response

Dear Mr. Campbell:

The Alberta Energy Regulator (AER) has reviewed Elan Coal Ltd.’s (Elan Coal) letter, dated June 19, 2023, seeking clarification of reclamation deadlines in respect of CEP 170004, 190001, 190005, 200002 (the CEPs).

The AER agrees with Elan Coal’s understanding of the suspension period and its impact on reclamation deadlines for the CEPs.

Elan Coal can continue with reclamation activities through 2024 and 2025, and beyond as required, subject to any direction from the Government of Alberta or the AER otherwise.

Regards,



Rushang Joshi, P.Eng.

Manager, Coal Mining

Regulatory Applications

cc: Shelbie Harkema, Atrum Coal

Steven Van Lingen, AER