

MINISTRY OF NATURAL RESOURCES AND FORESTRY REQUIREMENTS

Drilling Applications

1. It is Enbridge Gas Inc.'s ("Enbridge Gas") understanding that the Ontario Energy Board (the "Board") will require Enbridge Gas to conform to CSA Z341.1-18 Storage of Hydrocarbons in Underground Storage Formations to the satisfaction of the Ministry of Natural Resources and Forestry ("MNRF").
2. The drilling applications for well TL9 and well TL9H were sent electronically to the MNRF on December 11, 2018 and by courier to the MNRF on December 14, 2018. Email concerning these applications is set out at Attachment 1 to this Exhibit.
3. The MNRF provided confirmation on March 1, 2019 that the drilling applications for TL9 and TL9H were referred to the Board. The MNRF's email to Enbridge Gas and referral letter to the Board in this regard is included as Attachment 2 to this Exhibit.
4. Attachment 3 to this Exhibit contains the drilling applications provided to the MNRF.
5. Enbridge Gas confirms that it will fulfill, to the satisfaction of the MNRF, all of the relevant requirements of CSA Z341 "Storage of Hydrocarbons in Underground Formations", the *Oil, Salt and Gas Resources Act* and related regulations. The following sections outline the requirements and work completed to date related to the aforementioned requirements.
6. In order to comply with CSA Z341, EGDI completed the following risk assessment activities:

- i. An Assessment of Neighbouring Activities, and
 - ii. “What If” Analysis of Hazards and Operability Issues, Tec Ladysmith Pool Observation & Injection/Withdrawal Well Drilling Project. An Engineering Assessment was not required for this project since Enbridge is not proposing to increase the operating pressure of the Ladysmith pool.
7. The “What if” Report and covering letter were hand delivered to Mr. Jug Manocha of the MNRF on March 13, 2018 by Ms. Kathy McConnell. The project was discussed briefly between Mr. Manocha and Ms. McConnell. There has been no response from the MNRF concerning the report. The cover letter for this report is set out at Attachment 4 to this Exhibit.

Assessment of Neighbouring Activities

8. Enbridge Gas currently operates the Ladysmith Designated Storage Area (“Ladysmith DSA”) which is located in Lots 19 to 21, Concessions 4 and 5, Moore Township, Lambton County. Enbridge Gas has stored natural gas in the Ladysmith DSA since 1999, in a depleted pinnacle reef contained within the Silurian aged Guelph Formation. The Ladysmith DSA currently contains 3 active natural gas storage wells – 2 injection/withdrawal wells and 1 observation well.
9. In compliance with Section 5.2 of CSA Z341, the neighbouring activities for the Ladysmith DSA were assessed and 265 wells were identified. A geological review of the wells identified 31 wells with the potential to communicate with the Ladysmith reef. For each of the 31 wells, Enbridge thoroughly reviewed the completions and abandonment methods and the wells were subjected to a qualitative risk ranking evaluation. Enbridge Gas is satisfied that there is no communication between the Ladysmith DSA and any other subsurface operations and that the integrity of the

Ladysmith reef is intact. Since 1999 there have been no indications of leaks in the vicinity of any abandoned or active wells within the Ladysmith DSA.

10. There were no issues identified from this review that would affect or are concerning to the drilling of the proposed wells.
11. The Environmental Screening Report and Archaeological Assessment for wells TL9 and TL9H were sent to the MNRF on April 23, 2019.

“What If” Analysis of Hazards and Operability Issues

12. UGM Engineering Ltd. was contracted to conduct a “What if” type Hazard and Operability Analysis for the Ladysmith Moore Pool. The Ladysmith project was examined on September 25th, 2018 in a one day session.
13. Risk ranking was performed for each “What if”. A total of 250 “What if” entries concerning the Ladysmith DSA were generated from the scope of the CSA Z341 and examined in sessions. Each session was attended by the “What if” Leader and 4 technical experts in the fields of drilling, workovers, well completions, gas storage operations, pipelines, reservoir engineering and geology. Risk ranking applied in the sessions was guided by a 5x5 risk matrix that provided a qualitative expression based on the session group’s assignment of values for likelihood and severity. (Risk = Likelihood x Severity). Only one combination of Likelihood and Severity is provided per “What if”, which in general is composed of the highest Likelihood and Severity that arises from the subject “What if”.
14. After consideration, it was concluded that the sessions were a complete study of the Ladysmith Moore Pool Well Drilling Project within the scope of CSA Z341

Standard. It was agreed that the sessions had examined safety, operability and technical integrity in a responsible and diligent manner.

15. In conclusion, the "What if" sessions records and risk rankings, indicated "Broadly Acceptable" risk for the Ladysmith Moore Well Drilling Project. The definition of "Broadly Acceptable" is from the United Kingdom Health & Safety Executive.