

August 21, 2020

Enforcement File: 20-082FSJ

Crew Energy Inc.
Suite 800, 250-5th Street SW,
Calgary, Alberta
T2P 0R4
Canada

Attention: Mr. Calvin Dempsey, EHS Advisor

**RE: Warning: Failure to Comply With a Storage and Disposal of Wastes
Requirements as per Drilling and Production Regulation, B.C. Reg. 282/2010,
Section 51(6)(i)**

Dear Mr. Dempsey,

On April 20, 2020 Crew Energy Inc. (CREW) self-disclosed an instance of non-compliance to the BC Oil and Gas Commission (Commission) regarding the operation of a C-Ring at 13-19-082-19W6, near Fort St. John, BC.

CREW disclosed that on April 19, 2020 it had been identified that two (mallard) ducks had landed in the produced water flow back fluids (saline fluids) contained within the subject C-Ring. Despite CREW's significant recovery efforts, both ducks were deceased as of the morning of April 21, 2020.

At the time of the incident, CREW had internal policies and procedures in place committing to a minimum number and range of waterfowl and wildlife deterrents required to be in place to mitigate for such circumstances.

Following CREW's disclosure, a Commission Compliance & Enforcement Officer attended the location and made observations regarding the condition and quantity of the installed deterrents. It was determined that at the time of the incident said deterrents did not meet CREW's internal requirements and were insufficient to prevent the subject waterfowl from having come in contact with the contained saline fluids.

Following CREW's prompt self-disclosure and subsequent administrative investigation by the Commission, CREW is hereby issued a warning only for the following:

1. CREW, on or about April 19, 2020 at or near Fort St. John in the Province of BC, did fail to ensure that its C-Ring was equipped with measures to prevent waterfowl from coming in contact with the contained fluids contrary to section 51(6)(i) of the Drilling and Production Regulation.

Should CREW have any questions regarding this matter, please contact the undersigned.

Sincerely,

<original signed by>

Compliance & Enforcement Officer
BC Oil and Gas Commission