



March 9, 2012
Tyler Trilsbeck, P. Eng.
Production Engineer
Encana Corporation
150 – 9th Avenue SW
P.O. Box 2850
Calgary, AB T2P 2S5

9450-7400-32640-02

Dear Mr. Trilsbeck:

**RE: SALT WATER DISPOSAL SPECIAL PROJECT
ENCANA KIWIGANA b-14-D/94-O-7; WA# 25862 (Amendment #1)
OTHER AREAS - DEBOLT FORMATION**

Commission staff has reviewed your application, dated December 21, 2011, to amend Order 11-02-005, approved April 5, 2011, to increase the maximum allowable wellhead injection pressure.

A step rate injectivity test was conducted on September 9, 2011 at the analogous Debolt well d-93-L/94-O-2 to determine the formation fracture pressure. Connectivity of the two wells was proven through pressure monitoring.

Attached, please find Order 11-02-005 (Amendment #1), designating the Other Areas – Debolt formation a Special Project under section 75 of the *Oil and Gas Activities Act*, for the operation and use of a storage reservoir for the disposal of salt water. This amendment modifies the maximum allowable wellhead injection pressure based on the referenced test results.

Please note that, as per section 75 of the Drilling and Production Regulation, a record of the volume of salt water disposed of through this well must be included on a Monthly Injection or Disposal Statement (BC-S18), which must be submitted to the Oil and Gas Commission no later than the 25th day of the month in which activity occurred. Also, the operation of the salt water disposal project will be subject to periodic review and the Commission may modify the Order, if deemed appropriate.

Should you have any questions, please contact Ron Stefik at (250) 419-4430 or Curtis Kitchen at (250) 419-4443.

Sincerely,

A handwritten signature in black ink, appearing to read 'Paul Jeakins', is written over a light blue circular stamp.

Paul Jeakins
Commissioner & CEO
BC Oil and Gas Commission

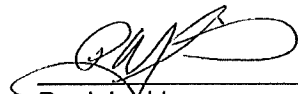
IN THE MATTER of the application from Encana Corporation to the Commission dated December 21, 2011 for the operation and use of a storage reservoir.

ORDER 11-02-005 (Amendment #1)

- 1 Under Section 75(1)(d) of the *Oil and Gas Activities Act*, the Commission designates the operation and use of a storage reservoir for the disposal of salt water or recovered fluids from a well completion or workover into the Other Areas – Debolt formation as a special project in the following area:

NTS 94-O-07 Block D – Unit 14

- 2 Under section 75(2) of the *Oil and Gas Activities Act*, the special project designation in this Order is subject to the following conditions:
- a) Salt water shall be injected only into the Debolt formation (427.0 – 621.0 mKB) through the well b-14-D/94-O-07 (WA # 25862).
 - b) The wellhead injection pressure must be continually measured and recorded, and must not exceed 8100 kPa.
 - c) The Project shall be deemed to have commenced upon initiation of salt water injection into the well. The Supervisor, Reservoir Engineering, Resource Conservation, must be notified in writing within 72 hours of commencement of injection operations.



Paul Jeakins
Commissioner & CEO
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 9th day of March 2012.