



September 4, 2012

3425-2600/2800-59070-20

Todd Maheux
Completions/Operations
Tourmaline Oil Corp.
3700, 250 – 6th Ave SW
Calgary, AB T2P 3H7

Dear Mr. Maheux:

**RE: COMMINGLED WATER PRODUCTION SPECIAL PROJECT
TOURMALINE DOE 12-28-080-15; WA # 23533**

The OGC has reviewed your application dated July 20, 2012 requesting approval to commingle production from the Cadomin and Bluesky formations in the subject well.

These two Cretaceous formations are water saturated at this location, with no known hydrocarbon pools in the area. Saline water sourced from this well is intended to supply hydraulic fracture stimulation fluid, in Tourmaline's operations, thus displacing Tourmaline's use of fresh water for development of the unconventional Montney gas resource. Produced water will be stored in Tourmaline's saline water pit located at 12-14-80-16W6. No water will be pumped back into the subject well 12-28-80-15 W6M for disposal or storage.

Attached please find Order 12-20-003 designating an area in the Doe field within the subject formations a Special Project under section 75 of the Oil and Gas Activities Act. Please note that Special Projects will be subject to periodic review and the Commission may modify the Order, if deemed appropriate.

As per Section 23(2) of the *Drilling and Production Regulation*, a notice is required within 30 days of commencement of commingled well production. Also, the form BC-11 Notice of Commencement or Suspension of Operations must be submitted.

Should you have any questions, please contact Ron Stefik at (250) 419-4430 or Michelle Gaucher at (250) 419-4482.

Sincerely,

A handwritten signature in blue ink, appearing to read 'R. Slocomb', is written over a large, light blue circular stamp.

Richard Slocomb
Deputy Commissioner, Engineering
Oil and Gas Commission

Attachment

IN THE MATTER of an application from Tourmaline Oil Corp. to the Oil and Gas Commission (the Commission) dated July 20, 2012 for Commingled Production approval.

ORDER 12-20-003

- 1 Under Section 75(1) of the *Oil and Gas Activities Act*, the Commission designates as a special project the Doe field, Bluesky and Cadomin formations, within the following area;

DLS Twp 80 Rge 15 W6M – Section 28 Lsds 11, 12, 13, 14.

- 2 Pursuant to section 75(2) of the *Oil and Gas Activities Act*, the special project designation in this Order is subject to the following conditions:

- a) Petroleum fluid, natural gas or water (including brine) produced from the designated area in the Bluesky and Cadomin formations may only be commingled through the well Tourmaline Doe 12-28-80-15 W6M (WA # 23533); and
- b) Production from the commingled well Tourmaline Doe 12-28-80-15 W6M (WA # 23533) must be allocated on the Ministry of Finance BC-S1, BC-S2 and BC-08 forms on the basis of 35% to Bluesky and 65% to Cadomin.



Richard Slocomb
Deputy Commissioner, Engineering
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 4 day of September 2012.