



February 9, 2012

8120-2600/2800/2850-59070-20

Todd Maheux
Tourmaline Oil Corp.
3700, 250 – 6th Ave S.W.
Calgary AB T2P 3H7

Dear Mr. Maheux:

**RE: COMMINGLED PRODUCTION SPECIAL PROJECT
TOURMALINE SUNRISE D12-14-80-16 W6M; WA# 27864**

Commission staff have reviewed your application dated December 16, 2011 requesting approval to commingle water production from the Bluesky, Cadomin, and Nikanassin zones encountered in the subject well.

These three 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, displacing the use of fresh water for development of the unconventional Montney gas resource. Well Permit 26571 (5-14-80-16 W6M) was amended July 7, 2011 with conditions to operate a frac water storage site.

Attached please find Order 12-20-002 designating an area in the Sunrise field within the subject formations a Special Project under section 75 of the Oil and Gas Activities Act for Commingled Production. Please note that commingled production operations 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.

Sincerely,

A handwritten signature in black ink, appearing to read 'Paul Jeakins', with a large flourish at the end.

Paul Jeakins
Commissioner & CEO
Oil and Gas Commission

Attachment


IN THE MATTER of an application from Tourmaline Oil Corp. to the Oil and Gas Commission (the Commission) dated December 16, 2011 for Commingled Production approval.

ORDER 12-20-002

- 1 Under Section 75(1)(a) of the *Oil and Gas Activities Act*, the Commission designates the commingling of production from the Sunrise field – Bluesky, Cadomin and Nikanassin formations as a special project for the enhanced recovery of natural gas by commingling production within the following area;

DLS Twp 80 Rge 16 W6M – Section 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) Production from the Bluesky, Cadomin and Nikanassin zones may be commingled through the well Tourmaline Sunrise D12-14-80-16 W6M (WA # 27864).
 - b) Water production from the commingled well must be allocated on the Ministry of Finance BC-S1, BC-S2 and BC-08 forms allocated on the basis of Bluesky 50%, Cadomin 30% and Nikanassin 20%.



Paul Jeakins
Commissioner & CEO
Oil and Gas Commission

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