



August 18, 2011

9045-7400-32640-02

Tyler Trilsbeck, P. Eng.
Production Engineer
Encana Natural Gas
150 - 9th Ave S.W.
Calgary AB T2P 2S5

Dear Mr. Trilsbeck:

**RE: INJECTIVITY TEST SPECIAL PROJECTS
ECA KIWIGANA c-92-L/94-O-2; WA# 26740
ECA KIWIGANA d-93-L/94-O-2; WA# 26753
DEBOLT FORMATION**

Oil and Gas Commission staff have reviewed the applications, dated August 3, 2011, requesting approval to conduct water injectivity tests into the Debolt formation of the subject wells.

Attached please find Orders 11-02-009 and 11-02-010, designating areas in the Horn River field - Debolt formation Special Projects under section 75 of the *Oil and Gas Activities Act*, for the temporary operation and use of storage reservoirs for the disposal of produced salt water. The Commission understands that potential disposal at these locations are intended to accommodate produced flow back water from Horn River gas wells in the area.

Please note these are temporary approvals. Final disposal approvals will not be issued until well results are reviewed by this office.

Should you have any questions, please contact Kelly Okuszko at (250) 419-4433 or Travis Mercure at (250) 419-4448.

Sincerely,

A handwritten signature in black ink, appearing to read 'Paul Jenkins', is written over a horizontal line.

Paul Jenkins
Chief Operating Officer
Oil and Gas Commission


Attachment

IN THE MATTER of the application from Encana Natural Gas to the Oil and Gas Commission (Commission) dated August 3, 2011 for the temporary operation and use of a storage reservoir.

ORDER 11-02-009

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

NTS 094-O-2 Block L - Unit 92.
- 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 through the well c-92-L/94-O-2 (Well Permit # 26740).
 - b) A production test, including swabbing, must be attempted to evaluate hydrocarbon potential. If a measureable quantity of hydrocarbons is encountered, testing operations must cease immediately and the Commission must be contacted.
 - c) The total volume of injected water must not exceed 500 m³.
 - d) The injection test should be designed with an attempt to establish the fracture gradient or maximum injection pressure for final disposal operations.



Paul Jeakins
Chief Operating Officer
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 3rd day of August 2011.

IN THE MATTER of the application from Encana Natural Gas to the Oil and Gas Commission (Commission) dated August 3, 2011 for the temporary operation and use of a storage reservoir.

ORDER 11-02-010

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

NTS 094-O-2 Block L - Unit 93.
- 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 through the well d-93-L/94-O-2 (Well Permit # 26753).
 - b) A production test, including swabbing, must be attempted to evaluate hydrocarbon potential. If a measureable quantity of hydrocarbons is encountered, testing operations must cease immediately and the Commission must be contacted.
 - c) The total volume of injected water must not exceed 500 m³.
 - d) The injection test should be designed with an attempt to establish the fracture gradient or maximum injection pressure for final disposal operations.



Paul Jeakins
Chief Operating Officer
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 18th day of August 2011.