



March 9, 2012

3200-7400-32640-02

Maria Tjoa
Project Engineer
Fekete Associates Inc.
Suite 2000, 540 – 5th Avenue SW
Calgary, AB T2P 0M2

Dear Ms. Tjoa:

**RE: INJECTIVITY TEST SPECIAL PROJECT
PENN WEST CLARKE b-65-H/94-J-10 (WA# 22603)
DEBOLT FORMATION**

Oil and Gas Commission staff have reviewed the application, dated January 27, 2012, requesting approval to conduct a water injectivity test into the Debolt formation of the subject well, rig released March 28, 2007.

Attached please find Order 12-02-004, designating an area in the Clarke Lake field – Debolt formation a Special Project under section 75 of the *Oil and Gas Activities Act*, for the temporary operation and use of a storage reservoir for the disposal of produced salt water. Disposal at this location is intended to accommodate produced water from the Slave Point formation.

Please note this is a temporary approval. Decision on a final disposal approval will not be made until test results are available and a full review has been conducted.

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

Sincerely,

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

Paul Jeakins
Commissioner & CEO
Oil and Gas Commission

Attachment

IN THE MATTER of the application from Fekete Associates Inc. on behalf of Penn West Petroleum Ltd., to the Oil and Gas Commission (Commission) dated January 27, 2012 for the temporary operation and use of a storage reservoir.

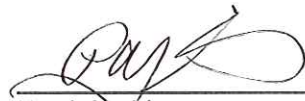
ORDER 12-02-004

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, in the Clarke Lake – Debolt formation as a special project in the following area:

NTS 094-J-10 Block H - Unit 65.

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 Penn West Clarke b-065-H/94-J-10 (Well Permit # 22603).
- b) A production test, including swabbing, must be attempted to evaluate hydrocarbon potential. If a significant 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) A representative formation water sample from the Debolt must be taken.
- e) A compatibility analysis should be undertaken for the Slave Point and Debolt formation waters.
- f) The injection test should be designed with an attempt to establish the fracture gradient or maximum injection pressure for final disposal 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.