

Date: June 20th, 2019

Perpetual Energy Inc
3200, 605-5th Avenue S.W
Calgary, Alberta
T2P 3H5

Attention: Jeff Green, VP Corporate and Engineering Services

Re: Perpetual Energy Certificate of Restoration Application (Part-II) for the Well Site 1121838 AB Ltd Et Al Junior C-81-C/94-I-11 (WA # 3908)

This office has received an Application for a Certificate of Restoration (CoR) Part-II, and a Liability Agreement Letter for the above referenced well authorization(WA# 3908) submitted by SynergyAspen Environmental on behalf of Perpetual Energy on June 3rd, 2019.

However, Perpetual is seeking to obtain a CoR (part-II) for the portions of the site that they are environmental responsible for, the wellbore and the sump, not the entire site. There were different surface facilities on the site C-81-C/94-I-11 as follow:

- A gas dehydrator (Facility ID# 300) and gas sales meter (Facility ID# 8174) collectively the Gas Plant for Repsol Oil & Gas Canada Inc. and
- The abandoned wellbore (WA# 3908) and the associated sump located by the wellbore for Perpetual Energy Inc.

Based on the terms of agreement letter dated on Decemebr 17th 2018, Repsol Oil & Gas Canada Inc, Perpetual Energy Inc and Baytex Energy Ltd have reached a settlement in respect of liabilities associated with the existing surface facilities as follow:

- Repsol will assume all future reclamation, remediation and restoration of the gas Plant and the site, except remediation liability associated with wellbore and the sump
- Perpetual and Baytex shall remain solely responsible for any remediation of the Wellbore and Sump and any contamination arising from drilling fluids associated with the Wellbore and the Sump.
- Perpetual and Baytex will remain the permit holder of the Wellbore and there will not be any assignment of liability associated with the Wellbore.

Based upon review of the information provided by the applicant, which the surface activities for the reclamation/restoration of WA# 03908 and the associated sump have been assigned the responsibility of Repsol during future remediation and reclamation of the Gas Plant and the Wellsite. Therefore, your application for a Certificate of

Restoration approved and a copy of the Certificate of Restoration is enclosed (Certificate # 5988).

Please note Section 41(3) of the Oil and Gas Activities Act (OGAA) and section 47 (1) of the Environmental Management Act, which respectively read:

"The issuance of a certificate of restoration does not relieve a person from any obligations under section 40 or under an order referred to in subsection (1) (b) of this section in respect of any matter that was not known to the commission at the time the certificate of restoration was issued."

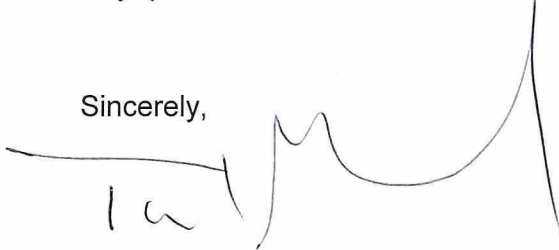
And:

"A person who is responsible for remediation of a contaminated site is absolutely, retroactively and jointly and separately liable to any person or government body for reasonably incurred costs of remediation of the contaminated site, whether incurred on or off the contaminated site."

Therefore Perpetual Energy Inc. remains liable for any contamination presently on site.

Any questions can be directed to the undersigned at (250) 794-234

Sincerely,



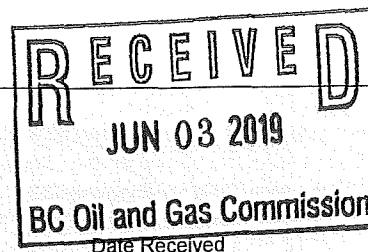
Taher Morsi, Ph.D., P.Ag

Environmental Management Officer
Operational Policy & Environment
Resource Development & Stewardship Branch
Telephone: 250-794-5234
Facsimile: 250-794-5380
E-Mail: Taher.Morsi@bcogc.ca

cc: Daniel Gorsic, SynergyAspen Environmental Ltd, 2328 Clarke Street, Port Moody, BC, V3H1Y8

**CERTIFICATION OF RESTORATION
APPLICATION FORM – PART 2**

Physical Address: 6534 Airport Road,
Fort St. John, B.C. V1J 4M6
Mailing Address: Bag 2, Fort St. John, B.C.
V1J 2B0
Phone: (250) 794-5200



THIS IS AN AUDITABLE DOCUMENT

This form must be submitted under the authorities of the Oil and Gas Activities Act, s. 41, and the Environmental Management Act S.B.C. 2003, c. 53, in hardcopy, to the Oil and Gas Commission, at the address noted above. This form may only be completed by a professional or technologist registered as a member in good standing with an organization operating under an act of the British Columbia legislature.

COMMISSION USE ONLY**A**

Commission File No. or AD No.:

Document:

ADMINISTRATION**B**Well Permit No.: **03908**Well Name: **1121838 AB LTD et al JUNIOR**Well Location: **C-081-C/094-I-11**Petroleum Title (Permit, Lease, Number, etc): **Permit No. 9638528**Title Holder(s) (Permittee, Lessee, etc): **1121838 Alberta Ltd**Surface Landowner: **Crown**

(Attach Letter of Release)

Surface Occupant:

(Attach Letter of Release)

Applicant's Agent in Field

Name: **Tanya Allen, P.Ag.**Company: **SynergyAspen Environmental Inc.**Position: **Reclamation Advisor**Address: **9904 106 Street**City: **Fort St. John**Province: **BC**Postal Code: **V1J 1V8**Phone: **250-785-1030**Fax: **250-785-1034**Email: **tallen@synergyaspen.ca**

Agent Signature:

Date: **May 30, 2019**☒ \$1500 Application Fee Attached**RESTORATION INFORMATION****C**

Description of Area(s) Restored (Location, Remote Sump, Access and other disturbed areas affiliated with this location):

The above noted location was historically operated as a Wellsite and as a Gas Plant. Drilling activities under WA# 03908 for the wellbore and sump are assigned to 1121838 Alberta Ltd (Perpetual), with facility activities under Facility ID# 300 and 8174 assigned to Repsol Oil & Gas Canada Inc. (Repsol). This CoR Part 2 application is for WA# 03908 licensed with Perpetual for the abandoned wellbore and associated sump.

As assignment of liability for the wellbore and associated sump includes remediation only, surface activities for the reclamation/restoration of WA# 03908 have been assigned the responsibility of Repsol during future remediation and reclamation of the Gas Plant and the Wellsite. Therefore, this CoR Part 2 application ensures the future reclamation/restoration of Wellsite with WA# 03908 under the direction of Repsol to be included in the CoR Part2 application of Facility ID# 300 and 8174.

Subsurface remediation activities were completed for WA# 03908, for the environmental liability assigned to Perpetual, and a CoR Part 1 approval was issued by the Oil and Gas Commission on May 27th, 2019.

Details of any areas left unrestored at Landowner's request:

Was "Approval to Construct" subject to any reclamation conditions

☐ YES ☒ NO

Reclamation Inspection Report included? **See attachments**

☐ YES ☒ NO

Is this location within the Agricultural Land Reserve? *If YES, attach Schedule B*

☐ YES ☒ NO

APPROVAL – FOR COMMISSION USE ONLY

D

CERTIFICATE OF RESTORATION

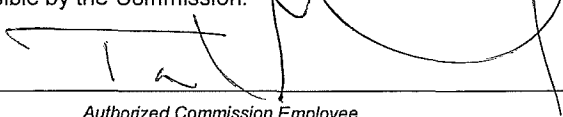
CERTIFICATE NO.

5988

This is to certify that the surface of the land held in conjunction with, or incidental to, the above application is deemed to be satisfactorily restored. Despite the issuance of this Certificate, the Ministry of Environment has the authority to order further site investigation or remedial action upon inspection of the site or file. Issuance of this certificate does not relieve the Applicant of any restoration requirements for which the Applicant is subsequently held responsible by the Commission.

Approval Date:

June 20, 2019


Authorized Commission Employee

The personal information requested on this form is collected under the authority of and used for the purpose of administering the *Petroleum and Natural Gas Act* and the *Environmental Management Act*. Under certain circumstances, some information may be released subject to the provisions of the *Freedom of Information and Protection of Privacy Act*. If you have any questions about the collection, use or disclosure of this information, contact the Corporate Services Branch, Records Administrator, in Fort St. John at the address above.