

July 3, 2019

Enforcement File: 19-041FSJ

AQT Water Management Inc.
700 – 1816 Crowchild Trail NW
Calgary AB T2M 3Y7

Attention: Mr. Tom Johnston

Re: General Order 2019-006

Dear Mr. Johnston,

On May 17, 2019, the BC Oil and Gas Commission (Commission) issued General Order 2019-006 to AQT Water Management Inc.

AQT Water Management Inc. has satisfied all the requirements of the Order.

Please be advised that pursuant to section 49(8) of the *Oil and Gas Activities Act*, General Order 2019-006 is hereby terminated.

If you have any questions or concerns, please do not hesitate to contact the Commission.

Sincerely,



Patrick Smook
Acting Vice President, Operations
BC Oil and Gas Commission

GENERAL ORDER 2019-006
Section 49 *Oil and Gas Activities Act*

Issued to:

AQT Water Management Inc.
700-1816 Crowchild Trail NW
Calgary, Alberta T2M 3Y7

Attention: Mr. Tom Johnston

Order:

Pursuant to section 49(1)(e) of the *Oil and Gas Activities Act* (the Act), I, Lance Ollenberger, order that AQT Water Management Inc.(AQT) must:

1. On or before 5:00 PM on May 17, 2019, suspend all disposal activities at AQTWM Ft St John, WA# 03010 (the Subject Well) located at 11-12-084-19W6M

Conditions:

- A. This order shall remain in effect until amended or terminated in whole or in part by the Commission.

Reasons:

I make this order for the following reasons:

1. AQT is the permit holder of the Subject Well.
2. AQT is the holder of an approval for produced water and non-hazardous waste disposal into the Cadomin formation of the Subject Well issued by the Commission pursuant to section 75 of the Act under Order 16-02-002 Amendment #1 as subsequently amended.
3. On May 16, 2019 Commission staff attended the Subject Well and noted the following:
 - a. The surface casing vent (SCV) on the Subject Well was found closed and a bucket was observed beside the annulus valve.
 - b. The operator stated he had drained the annulus earlier in the day because the casing annulus was noted to have 35 kPa.
 - c. The operator was asked to open the SCV and when the vent was opened liquid and gas burst out of the vent.
4. On May 17, 2019 Commission staff attended the Subject Well and noted the following:
 - a. The tubing and annulus were on vacuum.
 - b. The SCV valve was closed and when the operator opened the SCV it was on vacuum.

General Order 2019-006

5. Commission staff are of the view that the above circumstances provide evidence of a lack of hydraulic isolation both within and outside the wellbore.
6. A lack of hydraulic isolation inside and outside the wellbore may result in produced water entering the environment.
7. I am of the opinion this order is necessary to protect the environment.

Review and Appeal

AQT may request a review of this order under section 70 of the Act by submitting a request for review to: ogc.determinationreviews@bcogc.ca.

AQT may appeal this order to the Oil and Gas Appeal Tribunal under section 72 of the Act. The process for appeals may be found at www.ogat.gov.bc.ca and a notice of appeal may be sent to the Oil and Gas Appeal Tribunal at:

Oil and Gas Appeal Tribunal
PO Box 4925 Stn Prov Govt
Victoria, BC V8W 9V1



Lance Ollenberger
Vice President, Operations
BC Oil and Gas Commission

DATED AT Fort St. John, in the Province of British Columbia, this 17th day of May, 2019.