



February 21, 2019

3200-8600-32640-02

Thomas DeBiasio, EIT
Production Engineer
Canlin Energy Corporation
Suite #2600, 237 – 4th Avenue SW
Calgary, AB T2P 4K3

Dear Mr. DeBiasio:

**RE: PRESSURE TESTING EXEMPTION
PRODUCED WATER DISPOSAL SPECIAL PROJECT APPROVAL
CANLIN CLARKE b-69-L/94-J-9; WA# 2240
CLARKE LAKE FIELD – PINE POINT FORMATION**

BC Oil and Gas Commission (Commission) staff have reviewed your application, dated February 20, 2019, requesting deferral of the required 2017 reservoir pressure test to August 2019, due to operational constraints related to winter conditions. Canlin Energy Corporation has a planned outage during the summer of 2019 and has proposed to complete the testing during the outage.

Approval for disposal of produced water, Order 68-02-001, was issued for the subject well, Pine Point formation, on April 18, 1968. Disposal into the well started in May 1968, and has continued until present, with 43,232,915 m³ disposed to date. The 2014 static gradient test conducted showed the reservoir pressure was not increasing.

The requirement to conduct a reservoir pressure test is hereby deferred. A reservoir pressure test must be conducted on the subject well no later than **August 31, 2019**. Disposal operations may not continue past this date if the test has not been completed. The subsequent reservoir pressure test is expected to be conducted in 2020; in alignment with the original pressure testing schedule. All reservoir pressure tests conducted must be submitted to the Commission within sixty days of the end of the test.

Should you have any questions, please contact Kathryn Archibald at (250) 419-4406 or the undersigned at (250) 419-4430.

Sincerely,

A handwritten signature in black ink, appearing to read "Ron Stefik".

Ron Stefik, Eng.L.
Supervisor, Reservoir Engineering
Oil and Gas Commission