



PSA

January 30, 2001

OGC 01018
8000-4800-32640-02
WA 4497

Mr. Brian Harrison, P.Eng.
Manager, Engineering and Environment
Canadian Crude Separators Inc.
1400 815 8 Ave Sw
CALGARY AB T2P 3P2

Dear Mr. Harrison:

**RE: Application for Approval
Deep Well Disposal of Produced Water and Non-Special Waste – Part 1
N/2 Section 7-86-18W6, dated December 7, 2000**

The Oil and Gas Commission (OGC) has reviewed the captioned application and draws the following concerns to the attention of Canadian Crude Separators Inc. (CCS).

The proposed disposal area appears to have potential reserves in the uppermost portion of the Upper Halfway zone. A review of log response in the well Calco et al Stoddart 11-7-86-18W6 (well authorization 4497) shows resistivity toward the top of the Upper Halfway interval in excess of 10 ohm-m. Wet zones for the Upper Halfway in the area show resistivity of less than 5 ohm-m and productive intervals in the nearby Oak Halfway 'A' pool show resistivity readings from 12 to 20 ohm-m.

Pressure data show significant depletion in the Oak Upper Halfway 'A' pool while the most recent data available in the disposal area suggest the pressure to be near initial formation pressure. This information suggests reservoir separation of the Upper Halfway downdip from the Oak Upper Halfway 'A' pool.

It is requested that CCS test the Upper Halfway at Calco et al Stoddart 11-7-86-18W6 for hydrocarbon potential and obtain a current pressure reading. Upon receipt of the results of the hydrocarbon potential determination and of the pressure data, the OGC will continue its review of the captioned application.

OGC staff members have encountered difficulty in contacting CCS staff by telephone to discuss the above concerns. Please provide us with the name and telephone number of the CCS staff member handling the reservoir aspects of the captioned application.

The comments above address the reservoir aspects of the application only. CCS is asked to ensure that communication with George Holland, Facilities Technician of the OGC's Fort St. John office, is maintained so that surface issues may be addressed in a timely and comprehensive manner. He can be contacted at (250) 261-5760.

Should you wish clarification in regard to this matter, please contact the undersigned at (250) 952-0294.

Yours truly,

Craig Gibson
Manager, Reservoir Engineering and Geology

Cc: George Holland, OGC FSJ

ENGINEERING AND GEOLOGY BRANCH

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0291
Location: 6th Flr 1810 Blanshard St. Victoria BC