

October 21, 2019

5180-7400-32640-02

Izet Ferraj Sr. Exploitation Engineer Canlin Energy Corporation 2600, 237 - 4th Avenue SW Calgary AB T2P 4K3

Dear Izet Ferraj:

RE:

PRODUCED WATER DISPOSAL SPECIAL PROJECT CANCELLATION

CANLIN KLUA b-50-G/94-J-9 (WA# 5144)

KLUA FIELD - DEBOLT 'A' POOL

The subject well was drilled in 1979 and completed into the Debolt 'A' pool as a gas producer in 1981. Approval for salt water disposal into the Debolt 'A' pool was granted on July 23, 2008 and the well disposed from October 2008 to November 2012. On October 17th, 2019, Canlin Energy Corporation indicated having no plans for reactivation and concurred that cancellation of the disposal approval is appropriate.

Pursuant to the *Oil and Gas Activities Act (OGAA)* section 75(2)(b), the Commission may cancel, suspend or amend a designation (iii) if the Commission considers that the designation is spent, or (iv) if the Commission considers that the designation is no longer appropriate, including, without limitation, for reasons of (a) public safety, (b) protection of the environment, or (c) conservation of petroleum and natural gas resources.

The Special Project Approval 08-02-006 for the Klua field, Debolt 'A' pool, well Canlin Klua b-50-G/94-J-9 (WA 5144) is hereby cancelled under section 75(2)(b) of OGAA. In accordance with Section 75(2)(b)(iii), the Commission considers that the designation is spent.

Should you have any questions, please contact Logan Gray at (250) 419-4465 or the undersigned at (250) 419-4430.

Sincerely,

Ron Stefik, Eng. L.

Supervisor, Reservoir Engineering

Oil and Gas Commission