

October 28, 2019

3410-7500-32640-02

Earl Ward ISH Energy Ltd. 900, 700 - 4th Ave SW Calgary, AB T2G 3J4

Dear Earl Ward:

RE:

PRODUCED WATER DISPOSAL SPECIAL PROJECT CANCELLATION

ISH DESAN d-54-D/94-P-7 (WA# 5886) DESAN FIELD – SHUNDA FORMATION

The subject well was drilled and completed in 1984 into the Shunda formation. Approval for salt water disposal into the Shunda formation was granted on March 5th, 1984 and disposal operations occurred only briefly in January and February of 1985. On September 19th, 2019, ISH Energy Ltd. Resources Ltd. indicated having no plans for reactivation.

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 granted on March 5th, 1984 for the Desan field, Shunda formation well ISH Desan d-54-D/94-P-7 (WA 5886) 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