OIL AND GAS COMMISSION

April 2, 2002

7770-8600-32640-02 OGC - 02067

Eldan W. Bosik Engineer, Northwest Business Unit AEC Oil & Gas 3900, 421 – 7th Avenue S.W. Calgary, AB T2P 4K9

Dear Mr. Bosik:

RE: APPLICATION FOR SALT WATER DISPOSAL AEC et al Sierra a-97-F/94-I-11, (WA# 7866); Pine Point

The Commission has reviewed your application dated February 13, 2002 requesting permission to dispose of produced water into the Keg River (Pine Point) formation of the subject well.

We concur that the subject well is a good candidate for salt water disposal in the Pine Point formation. Notice of your application was published in two issues of the BC Gazette. As no written objections were received, your application is approved.

Attached is Approval 02-02-008 for the application granted under Part 8, Division 3, Section 94 of the *Drilling and Production Regulation* for the Pine Point formation.

Sincerely,

Craig Gibson, P. Eng. Manager Reservoir Engineering and Geology

Approval Letters to Industry
GEP, SWD, CONCURRENT PROD,
PRESSURE MAINTENANCE,
WATERFLOOD, ETC.Copy 9Wellfile (originals)59240DailyResource RevenueS. ChicorelliR. StefikG. FarrP. AttariwalaD. Krezanoski

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Attachment

APPROVAL 02-02-008

THE PROVINCE OF BRITISH COLUMBIA <u>PETROLEUM AND NATURAL GAS ACT</u> DRILLING AND PRODUCTION REGULATION OIL AND GAS COMMISSION

IN THE MATTER of a scheme of AEC Oil & Gas (AEC) for Salt Water Disposal (SWD) in the Pine Point formation in the well AEC et al Sierra a-97-F/94-I-11 (WA# 7866).

NOW, THEREFORE, pursuant to Part 8, Division 3, Section 94 of the *Drilling and Production Regulation*, the SWD scheme is hereby approved, as such scheme is described in

an application from AEC to the Commission dated February 13, 2002.

- 1. The water disposal interval must be in the Pine Point formation.
- 2. A record of volume of salt water disposed of through this well must be included on a Monthly Injection/Disposal Statement, in the prescribed form (BC-S18), which must be submitted to the Oil and Gas Commission not later than the 25th day of the month following the reported month.
- 3. The disposal/injection pressure at the sandface must not exceed the formation fracture pressure.
- 4. This approval may be modified or rescinded if deemed appropriate through a change in circumstances.

Craig Gibson Manager Reservoir Engineering and Geology Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this ____day of April, 2002.