

January 23, 2002

9000-8600-32640-02 OGC - 02015

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

Dear Mr. Bosik:

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

The Commission has reviewed your application dated January 21, 2002 requesting permission to conduct a temporary injectivity test into the Pine Point formation of the subject well.

We concur that the well a-97-F/94-I-11 appears to be a good candidate for salt water disposal. Your request for temporary injectivity is considered appropriate, as it will provide necessary information about the disposal capability in the wellbore.

Approval for temporary injectivity test is hereby granted under Part 8, Division 3, Section 94 of the *Drilling and Production Regulation*, subject to the following conditions;

- 1. The test water disposal interval must be in the Pine Point formation.
- 2. The total volume of injected water must not exceed 500 m³.
- 3. The disposal/injection pressure at the sandface must not exceed the formation fracture pressure.

Please note that continuous injection operation requires an application for salt water disposal under section 94 of the Drilling and Production Regulation. Formal approval may be granted only if no objections are received following publication of a notice of the application in the BC Gazette.

Sincerely,

Craig Gibson, P. Eng.

Manager

Reservoir Engineering and Geology

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