

June 9, 2017

8100-4100-32640-02

Dallas Longshore
Tervita Corporation
500, 140 – 10th Avenue SE
Calgary, AB T2G 0R1

Dear Mr. Longshore,

**RE: NON-HAZARDOUS WASTE AND PRODUCED WATER DISPOSAL APPLICATION
TERVITA HZ W STODDART 10-30-087-20 W6M; WA# 10864
BALDONNEL FORMATION**


Application for approval to dispose of produced water and nonhazardous waste into the Baldonnel formation of the subject well was received July 9, 2014. An objection to this application was raised by Crocotta Energy Inc (now Leucrotta Exploration Inc) due to concern of impact on a nearby, recently completed Baldonnel oil well. The objection had technical merit and the disposal application was not approved, though the Commission allowed for future reconsideration.

In April 2017, a request from Tervita initiated a review of the Baldonnel "C" performance history and reservoir pressure data monitoring of the Baldonnel formation at the subject well. After 21 months of production, the Leucrotta Hz W Stoddart 04-01-088-21 well (WA #27810) has produced 7,129m³ of oil, 1,349 e³m³ of gas and 26,035 m³ of water. Although the subject well 10-30, 2.6 km to the southeast, has shown no notable pressure effect from production at this or other wells in the Stoddart West Baldonnel "C" pool, both Leucrotta and Kelt Exploration Ltd. have communicated to the Commission future oil development plans in the area and objection to disposal.

Based on current and future hydrocarbon production potential in the vicinity, the Commission hereby denies the application from Tervita for disposal into the Baldonnel formation at the well 10-3-87-20.

Should you have any questions, please contact Ron Stefik at (250) 419-4430 or Michelle Gaucher at (250) 419-4482.

Sincerely,



Ron Stefik, Eng.L.
Supervisor, Reservoir Engineering
Oil and Gas Commission