

September 3, 2026

6600-2885-32640-02

Mallary Banister, P.Eng
Senior Production Engineer
ARC Resources Ltd.
Suite 1500, 308 – 4th Ave S.W.
Calgary, AB T2P 0H7

Dear Ms. Banister:

**RE: PRODUCED WATER DISPOSAL SPECIAL PROJECT APPROVAL
ARCRES ET AL PARKLAND 10-5-81-16 (WA# 21342)
PARKLAND FIELD – CADOMIN-NIKANASSIN FORMATION**

The Regulator has reviewed the application submitted by Benoit Regulatory Compliance Inc., on behalf of ARC Resources Ltd. dated April 17th, 2026, requesting approval for disposal of produced water into the Parkland field Cadomin-Nikanassin formation via the subject well.

The subject well was drilled in 2006 and completed in the Halfway 'B' and Doig 'B' pools in 2007. Commingled production from both zones occurred from 2007 to 2011, with cumulative produced volumes of 27,054 e³m³ of gas, 1,288 m³ of condensate, and 819 m³ of LPG. Both zones were suspended in 2015 and later abandoned in 2019. In 2025, the Cadomin and Nikanassin zones were completed and tested for disposal.

Attached please find **Order 26-02-003**, designating an area in the Parkland field, Cadomin-Nikanassin, as a Special Project under section 75 of the Energy Resource Activities Act, for the operation and use of a storage reservoir for the injection of produced water. The Regulator recognizes the Cadomin and Nikanassin formations as a compound, unsegregated zone in this area for disposal use. This Order includes several detailed operational, measurement and reporting conditions. Disposal wells are subject to regular field inspection and audit. Contravention of any condition of this Order may be subject to enforcement under section 62 of ERAA, or suspension or cancellation of the Order under section 75(2)(b).

For the inspection requirement of Order condition 2m), please arrange via email to Pipelines.Facilities@bc-er.ca. For high-total dissolved solids fluids, the permit holder must adjust wellhead injection pressure to remain below formation fracture pressure.

Should you have any questions, please contact Logan Gray at (250) 419-4465 or the undersigned at (250) 419-4482.

Sincerely,



Michelle Gaucher, P.Eng.
Supervisor, Reservoir Engineering
BC Energy Regulator

Attachments



IN THE MATTER of the application from Benoit Regulatory Compliance Inc., on behalf of ARC Resources Ltd., dated April 17, 2026, requesting disposal approval:

ORDER 26-02-003

1. Under Section 75(1)(d) of the Energy Resource Activities Act, the Regulator designates the operation and use of storage reservoirs for produced water, including flowback from fracturing operations, in the Parkland Field – Cadomin-Nikanassin formation as a special project in the following area:

DLS Twp 81 Rge 16 W6M Section 5 LSDs 9, 10, 15, and 16

2. Under section 75(2) of the Energy Resource Activities Act, the special project designation in this Order is subject to the following conditions. The Permit Holder shall:
 - a) Inject water into the well ARCRes et al Parkland 10-5-81-16; WA# 21342 Cadomin-Nikanassin formation from 1,325.0 - 1,388.0 mKB MD.
 - b) Not exceed an injection pressure measured at the wellhead on the subject well, of 14,850 kPag or the pressure required to fracture the formation, whichever is lesser.
 - c) Inject only through tubing with a packer set as near as is practical above the injection interval.
 - d) Continually measure and record the wellhead casing and tubing pressures electronically.
 - e) Alarm the casing-tubing annulus pressure monitoring system to indicate when casing pressure varies outside the normal operating range.
 - f) Cease injection and notify the Regulator at Reservoir@bc-er.ca immediately if there are any indications that hydraulic isolation is lost in the wellbore or formation.
 - g) Conduct and submit an annual Surface Casing Vent Flow test to the Regulator within 30 days of the completion of the test.
 - h) Conduct an annual reservoir pressure test in the subject well, with a shut-in period of sufficient length to provide data for calculation of the reservoir pressure and submit a report of the test within 60 days of the end of the test.
 - i) Cease injection upon reaching a maximum formation pressure of 13,750 kPaa, measured at 1,356.5 mKB TVD.
 - j)
 - i) Perform a casing inspection log on the subject well and submit results to the Regulator within 30 days of the completion of logging, at an interval of not more than every 10 years, commencing from the date of initial disposal.
 - ii) Perform a hydraulic isolation temperature log on the subject well and submit results to the Regulator within 30 days of the completion of logging, at an interval of not more than every 5 years, commencing from the date of initial disposal.
 - k) Not conduct a hydraulic fracture stimulation on any formation in the subject well without prior Regulator approval.
 - l) Implement a groundwater monitoring program as detailed in Appendix A
 - m) Complete an inspection, satisfactory to the Regulator, within 4 weeks of initial disposal operations.

A handwritten signature in blue ink that reads 'M Gaucher'.

Michelle Gaucher, P.Eng.
Supervisor, Reservoir Engineering
BC Energy Regulator

DATED AT the City of Victoria, in the Province of British Columbia, this 3rd day of September 2026.



Advisory Guidance for Order 26-02-003

- I. A production packer must be set above the injection interval and the space between the tubing and casing filled with corrosion and frost inhibiting fluids, as per section 16(2) of the Drilling and Production Regulation.
- II. Annual packer isolation tests are required to be conducted, and the associated report must be submitted to the Regulator within 30 days of test completion, as per section 16(3) of the Drilling and Production Regulation.
- III. Injected fluids must be metered and the injection pressure measured at the wellhead, as per section 74 of the Drilling and Production Regulation.
- IV. A monthly disposal statement including the volume of disposal fluid, maximum wellhead injection pressure, and total operating hours must be submitted to the Regulator via Petrinex not later than the 20th day of the month following the reported month, as per section 75 of the Drilling and Production Regulation.
- V. Seismic events must be reported and disposal operations suspended as per section 21.1 of the Drilling and Production Regulation.

Appendix A – Groundwater Monitoring Requirements**ARCRES ET AL PARKLAND 10-5-81-16 (WA 21342) Produced Water Disposal**

1. The groundwater monitoring program established for ARCRes et al Parkland 6-3-81-16 (WA#23065) under Order 24-02-002, including monitoring well MW25-01, must continue and shall also apply to Arcres et al Parkland 10-5-81-16 (WA#21342).
2. The groundwater monitoring program must be overseen by a professional with competency in hydrogeology who is registered and in good standing with Engineers and Geoscientists British Columbia (Professional), and must include annual groundwater monitoring and sampling, and submission of annual groundwater monitoring reports as described in this Appendix.
3. Groundwater monitoring and sampling must be conducted using standard environmental investigation protocols and quality assurance/quality control (QA/QC) protocols.
4. Groundwater samples must be collected from monitoring well MW25-01 and be analyzed by an accredited laboratory for the following analytical parameters:
 - a. Routine water quality parameters (major cations and anions, total dissolved solids, alkalinity, pH, electrical conductivity, dissolved oxygen, oxidation-reduction potential, hardness)
 - b. Dissolved metals
5. The static water level at monitoring well MW25-01 must be measured prior to sampling.
6. A disposal fluid sample from Arcres et al Parkland 10-5-81-16 (WA#21342) must be collected and analyzed for the same suite of parameters as the groundwater samples. If MW25-01 is dry at the time of sampling, a disposal fluid sample must still be collected and analyzed from Arcres et al Parkland 10-5-81-16 (WA#21342).
7. Annual groundwater monitoring and sampling must be conducted once annually, as per the requirements in 2. through 6. above.
8. The results of the annual groundwater monitoring and sampling must be included in a report prepared by the Professional, and submitted to the BC Energy Regulator by email to hydrogeology@bc-er.ca (referencing Order 26-02-003) by December 31st of each calendar year. The report must include:
 - a. A description of methodologies used for the assessment, including QA/QC protocols
 - b. A site plan showing the location of the monitoring well relative to site boundaries, on-site infrastructure, and relevant surrounding features
 - c. Static water level measurement in the monitoring well
 - d. Analytical results in tabular form with appropriate comparison criteria and standards
 - e. Laboratory analytical reports
 - f. Data analysis (statistics, trends) and interpretation, as applicable.
9. Additional documentation and/or further sampling or investigation may be required by the BC Energy Regulator based on a review of submitted documentation and/or other site information.