BRITISH COLUMBIA ENERGY REGULATOR

November 18, 2026 1880-2885-32640-02

Cory Hall
AQT Water Management Inc.
Suite 102A, 11039 - 78 Ave
Grand Prairie, AB T8W 2J7

Dear Mr. Hall:

RE: SUSPENSION OF PRODUCED WATER DISPOSAL SPECIAL PROJECT APPROVAL
AQT BOUDREAU 16-15-84-21 (WA 22619)
BOUDREAU FIELD – CADOMIN-NIKANASSIN FORMATION

On August 12, 2025, the BC Energy Regulator (Regulator) issued Order 25-02-010 under section 75 of the Energy Resource Activities Act (Act), approving produced water disposal into the Boudreau Field Cadomin-Nikanassin formation through the subject well. On September 24, 2025, the Regulator issued Order 25-02-010, Amendment #1, which revised the maximum wellhead injection pressure.

The subject well was shut in on September 22, 2026, to allow AQT to conduct a reservoir pressure test. The test confirmed that reservoir pressure substantially exceeds the maximum formation pressure approved under condition 2(i). Regulator staff subsequently advised AQT that the well must remain shut in until testing demonstrates an acceptable reservoir pressure.

The Regulator has also been advised that Petroleum and Natural Gas Lease 66979, which includes the subject well location and Cadomin-Nikanassin formation, ceased to be in good standing after AQT failed to pay the annual lease rental beyond May 23, 2026. As a result, AQT no longer holds the subsurface rights required to conduct disposal operations in the subject well.

Having considered the above, pursuant to section 75(2)(b) of the Act, I am suspending Order 25-02-010, Amendment #1, effective immediately and continuing until further notice. I have determined that suspension is required because disposal operations cannot lawfully or safely resume while AQT does not hold the required subsurface tenure and the approved maximum formation pressure is exceeded.

Effective immediately and until further notice, AQT must not conduct injection or disposal operations at AQT Boudreau 16-15-84-21 (WA 22619). The Regulator will consider removing the suspension only upon demonstration, to the satisfaction of the Regulator, that:

- AQT holds the subsurface rights required to conduct disposal operations;
- Testing demonstrates that formation pressure is below the maximum approved limit of 11,750 kPaa at 1,005.7 mKB TVD;
- The well and disposal project otherwise comply with Order 25-02-010, Amendment #1, and all applicable regulatory requirements.

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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