



March 12, 2015

0320-7400-32640-02

Iman Ghavami
Progress Energy Canada Ltd.
1200, 205 - 5th Avenue SW
Calgary, AB T2P 2V7

Dear Mr. Ghavami:

**RE: SALT WATER DISPOSAL APPROVAL AMENDMENT REVIEW
PROGRESS ET AL PINTAIL 14-34-84-25 W6M; WA# 22801
DEBOLT FORMATION**

The Commission has significant concern regarding the suitability of the subject well for continued disposal operation. Well disposal operation appears to be linked to seismic activity in the area, and the current reservoir pressure may be above an acceptable limit.

The information in your email to the Commission dated March 9, 2015, indicates that well Progress et al Pintail 14-34-84-25 (WA# 22801) is currently shut-in, as of March 2, 2015. Please confirm the intention for the well to remain shut-in. If there are no further disposal plans at this time, the well status should be changed to "suspended" using the following procedure:

- Submit a BC-11 notification form to change the well status to suspended
- Submit the form WELL SUSPENSION/INSPECTION REPORT within 30 days of suspension. <http://www.bcogc.ca/node/5959/download>

The reservoir pressure test, conducted February 2-17, 2015, indicates an average reservoir pressure of 30,573 kPa. Based on the initial pressure of the Debolt, measured in wells in the area, this value may exceed the 120% limit which is the current standard for disposal wells. Prior to resuming disposal on this well, an amended approval will be required to demonstrate that the subject well has remaining storage capacity that would not trigger induced seismicity events.

Should you have any questions, please contact Michelle Harding at (250) 419-4493 or Ron Stefik at (250) 419-4430.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Ron Stefik', written over a horizontal line.

Ron Stefik, EngL.
Supervisor, Reservoir Engineering
Oil and Gas Commission