



March 23, 2016

3400-2010-32640-02

Justin Clements
Environment and Regulatory Specialist
Secure Energy Services Inc.
Bow Valley Square 2
Suite 1900, 205 – 5th Avenue S.W.
Calgary, AB T2P 2V7

Dear Mr. Clements

**RE: NON-HAZARDOUS WASTE AND PRODUCED WATER DISPOSAL
SPECIAL PROJECT; AMENDMENT #2
SECURE DAWSON B11-4-79-14; WA# 27084
PADDY-CADOTTE FORMATION**

The Commission has reviewed the Secure Energy Services Inc. request, dated March 1, 2016, to alter the frequency of reservoir pressure testing for the disposal formation in the subject well. Approval for disposal of non-hazardous waste and produced water, Order 11-02-008, was issued for the Paddy and Cadotte formations on September 6, 2011. Order 11-02-008 Amendment #1 was issued on November 26, 2014 to align well operations with current Commission requirements.

Annual reservoir tests indicate a trend of pressure increase, remaining less than 102% of initial value as of December 2015. This information provides assurance to vary pressure testing to bi-annual frequency. Note that the initial formation pressure has been reexamined based on valid test data in the area, and corrected for well depth, resulting in a revised limit value in the Order.

Attached please find **Order 11-02-008 Amendment #2** designating an area in the Dawson Creek field – Paddy-Cadotte formation as a Special Project under section 75 of the *Oil and Gas Activities Act*, for the use of a storage reservoir for the disposal of non-hazardous waste and produced water. The wording regarding the 120% limit has also been brought in line with Commission wording on more recent approvals. Also note the formation change. In June 2015 the Commission combined the separate Paddy and Cadotte formations in the Sunrise and Dawson Creek areas into the single Paddy-Cadotte formation for the purpose of disposal and source wells. Additional general information regarding disposal wells is available on the Commission's website at <http://www.bcogc.ca/industry-zone/documentation/Subsurface-Disposal>.

The Ministry of Environment identifies the type of effluent approved for injection in the separate Waste Discharge Permit, granted under the Environmental Management Act.

In certain circumstances, disposal well operation may induce seismicity. The Commission advises that disposal well permit holders monitor seismic events in proximity to the well and be prepared to modify operations to mitigate induced seismicity. Permit holders may monitor seismic events through the Natural Resources Canada seismic monitoring network at <http://www.earthquakescanada.nrcan.gc.ca/recent/index-eng.php>.

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

Sincerely,

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

Attachment



ORDER 11-02-008 Amendment #2

- 1 Under Section 75(1)(d) of the *Oil and Gas Activities Act*, the Commission designates the operation and use of a storage reservoir for the disposal of produced water, including flowback from fracturing operations, and non-hazardous waste, into the Paddy-Cadotte formation – Dawson Creek field as a special project in the following area:

DLS Twp 79 Rge 14 W6M Section 4 - Lsds 11, 12, 13, and 14

- 2 Under section 75(2) of the *Oil and Gas Activities Act*, the special project designation in this Order is subject to the following conditions. The Permit Holder shall:
- a) Inject produced water and non-hazardous waste only into the well Secure Dawson B11-4-79-14; WA# 27084 – Paddy-Cadotte formation (perforations from 831.0 mKB to 861.0 mKB).
 - b) Hold a valid Permit under the *Environmental Management Act* for the disposal of non-hazardous waste.
 - c) Not exceed an injection pressure, measured at the wellhead on the subject well, of 12,650 kPag or the pressure required to fracture the formation, whichever is lesser.
 - d) Inject only through tubing with a packer set as near as is practical above the injection interval.
 - e) Continually measure and record the wellhead casing and tubing pressures electronically.
 - f) Cease injection and notify the Commission immediately if hydraulic isolation is lost in the wellbore or formation.
 - g) Submit the annual packer isolation test report to the Commission within 30 days of the completion of the test.
 - h) Include the disposal operating hours and the maximum injection pressure value on the monthly disposal statement.
 - i) Cease injection upon reaching a maximum formation pressure of 5,880 kPaa measured at MPP.
 - j) Maintain and manage the well head to prevent surface liquids from entering the well bore through the annulus outside or between casing and conductor strings.
 - k) Conduct a reservoir pressure test on the formation in the subject well every two years, 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.
 - l)
 - i) Perform a casing inspection log on the subject well and submit results to the Commission 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 operations.
 - ii) Perform a hydraulic isolation temperature log on the subject well and submit results to the Commission 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 operations.
 - m) Not conduct a hydraulic fracture stimulation on any formation in the subject well without prior Commission approval.



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

DATED AT the City of Victoria, in the Province of British Columbia, this 23rd day of March 2016.

Advisory Guidance for Order 11-02-008 Amendment #2

- 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 submitted, 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 must be submitted to the Commission not later than the 25th 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.