



March 10, 2017

3425-2600-32640-02

Todd Maheux
Tourmaline Oil Corp.
3700, 250 – 6th Avenue SW
Calgary, AB T2P 3H7

Dear Mr. Maheux:

**RE: PRODUCED WATER DISPOSAL SPECIAL PROJECT; ANNUAL PRESSURE TEST
TOURMALINE DOE F04-25-80-16; WA# 30057
DOE FIELD – BLUESKY FORMATION**

Approval for disposal of produced water, Order 15-02-010, was issued for the subject well, Bluesky formation, on June 3, 2015. As per condition 2 h), the measurement and submission of a valid reservoir pressure is required each calendar year. The BC Oil and Gas Commission (Commission) records indicate that disposal into the Cadotte formation commenced in September 2015 with testing required for the 2016 calendar year.

As the required 2016 reservoir pressure test was not conducted, the Commission expects two reservoir pressure tests to be performed during the 2017 calendar year, with the first test to commence prior to March 31, 2017. A second test later in the year, following additional disposal volume, will provide additional data for the characterization of reservoir performance. The second test should be conducted a minimum of three months after the conclusion of the first test.

The Commission notes that Tourmaline Oil Corp. has suspended injection into the subject well in order to conduct a reservoir pressure test.

The validity of Special Project Order 15-02-010, issued under Section 75 of the Oil and Gas Activities Act, is dependent upon the Well Permit Holder meeting the conditions of the Order. A future failure to meet the reservoir pressure testing requirement, or other Order conditions, will result in a regulatory review for potential termination of the Order.

The well permit holder must ensure that the well is shut-in until the reservoir pressure has been attained in the well bore or until sufficient data are collected to permit the calculation of the reservoir. The preferred method of determining a static bottom hole pressure is with a bottom hole recorder.

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

Sincerely,

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

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