

April 30, 2026

8130-2010-32640-02

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 HZ SUNSET PRAIRIE AA8-33-78-18 (WA# 47765)
SUNSET PRAIRIE FIELD – PADDY-CADOTTE FORMATION**

The Regulator has reviewed the application submitted by Benoit Regulatory Compliance Inc. on behalf of ARC Resources Ltd., dated December 3, 2025, requesting approval for disposal of produced water into the Sunset Prairie field Paddy-Cadotte formation via the subject well.

The subject well was drilled for disposal into the Paddy-Cadotte formation in April 2025. The application proposes disposal into the Sunrise Paddy-Cadotte pool, currently utilized by ARC and Oviniv under a coordinated, field-wide disposal and reservoir pressure management strategy, and will be incorporated into this scheme.

Attached please find Order 26-02-001, designating an area in the Sunset Prairie field, Paddy-Cadotte, as a Special Project under section 75 of the Energy Resource Activities Act for produced water injection. The Order includes operational, measurement, and reporting conditions, and wells are subject to inspection and audit. Contravention may result in enforcement under section 62 of ERAA, or suspension or cancellation under section 75(2)(b).

As per condition 2b), a maximum wellhead injection pressure (“MWHIP”) of 13,450 kPa is approved as part of a reservoir management pilot. Under condition 2m), an annual report is required to confirm containment and absence of fracture creation. Supporting data may include modelling, injection pressure and rate analysis, a Hall Plot, pressure falloff interpretation, and offset well review. The MWHIP may be amended depending on results of the annual submission.

Continued coordination between ARC, Oviniv, and the BCER is required to support the field-wide reservoir pressure management strategy and model-based interpretation of maximum allowable reservoir pressure. This approval is conditional on ongoing data sharing and technical assessment and may be amended or cancelled if these are not maintained.

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

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

Sincerely,



Richard Slocomb, P.Eng.
VP, Environmental & Subsurface Resource Management
BC Energy Regulator

Attachments



Advisory Guidance for Order 26-02-001

- 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.