



March 8, 2011

4700-8400-32640-02

Jason Benoit
Project Technologist
Fekete Associates Inc.
2000, 540 - 5th Ave S.W.
Calgary AB T2P 0M2

Dear Mr. Benoit:

**RE: INJECTIVITY TEST SPECIAL PROJECT
PENN WEST HELMET d-16-E/94-P-10; WA# 26868
SLAVE POINT FORMATION**

Oil and Gas Commission (Commission) staff have reviewed the application, dated December 15, 2010, requesting approval to conduct a water injectivity test into the Slave Point formation of the subject well.

Attached please find Order 11-02-004, designating an area in the Helmet field – Slave Point formation a Special Project under section 75 of the *Oil and Gas Activities Act*, for the temporary operation and use of a storage reservoir for the disposal of produced salt water. The Commission understands that potential disposal at this location is intended to accommodate produced flow back water from Horn River gas wells in the area.

Please note this is a temporary approval. Final disposal approval will not be issued until well results are reviewed by this office.

Should you have any questions, please contact Richard Slocomb at (250) 419-4421 or Travis Mercure at (250) 419-4448.

Sincerely,

A handwritten signature in black ink, appearing to read 'Alex Ferguson', is written over a horizontal line.

Alex Ferguson
Commissioner
Oil and Gas Commission

Attachment

IN THE MATTER of the application from Penn West Petroleum, via Fekete Associates Inc., to the Oil and Gas Commission (Commission) dated December 15, 2010 for the temporary operation and use of a storage reservoir.

ORDER 11-02-004

- 1 Under Section 75(1)(d) of the *Oil and Gas Activities Act*, the Commission designates the temporary operation and use of a storage reservoir for the disposal of salt water or recovered fluids from a well completion or workover in the Helmet area – Slave Point formation as a special project in the following area:

NTS 094-P-10 Block E - units 16, 17, 26 and 27.
- 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:
 - a) Salt water shall be injected only into the Slave Point formation through the well d-16-E/94-P-10 (WA # 26868).
 - b) A production test, including swabbing, must be attempted to evaluate hydrocarbon potential. If a measureable quantity of hydrocarbons is encountered, testing operations must cease immediately and the Commission must be contacted.
 - c) The total volume of injected water must not exceed 500 m³.
 - d) The injection test should be designed with an attempt to establish the fracture gradient or maximum injection pressure for final disposal operations.



Alex Ferguson
Commissioner
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 8 day of March 2011.