

November 24, 2011

9045-7400-32640-02

Amanda Schiaroli Environmental Advisor Imperial Oil Resources Limited 237 – 4<sup>th</sup> Avenue SW Calgary AB T2P 3M9

Dear Ms. Schiaroli:

RE:

INJECTIVITY TEST SPECIAL PROJECT IMP MCADAM c-24-I/94-O-2; WA# 27668

HORN RIVER FIELD - DEBOLT/ELKTON FORMATION

Oil and Gas Commission staff have reviewed the application, dated November 4, 2011, requesting approval to conduct a water injectivity test into the Debolt/Elkton formation of the subject proposed well.

Attached please find Order 11-02-013, designating an area in the Horn River field – Debolt/Elkton 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 is dependent on submission and review of satisfactory well results.

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

Sincerely,

Paul Jeakins

Commissioner & CEO
Oil and Gas Commission

Attachment

IN THE MATTER of the application from Imperial Oil Resources Limited to the Oil and Gas Commission (Commission) dated November 4, 2011 for the temporary operation and use of a storage reservoir.

## ORDER 11-02-013

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, in the Horn River area – Debolt/Elkton formation as a special project in the following area:

NTS 094-O-2 Block I - Unit 24.

- 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 Debolt/Elkton formation through the well c-24-I/94-O-2 (Well Permit # 27668).
  - b) A production test, including swabbing, must be attempted to evaluate hydrocarbon potential. If a significant 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 1,000 m<sup>3</sup>.
  - d) A sample of Debolt/Elkton fluids must be obtained.
  - e) The injection test should be designed with an attempt to establish the fracture gradient or maximum injection pressure for final disposal operations.

Paul Jeakins

Commissioner & CEO
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 24 day of November 2011.