

February 10, 2011

4700-8600-32640-02

Thomas Litchfield  
Nexen Inc.  
801 - 7<sup>th</sup> Ave S.W.  
Calgary AB T2P 3P7

Dear Mr. Litchfield:

**RE: INJECTIVITY TEST SPECIAL PROJECT  
NEXEN INC. HELMET a-45-B/94-P-15; WA# 25134  
PINE POINT FORMATION**

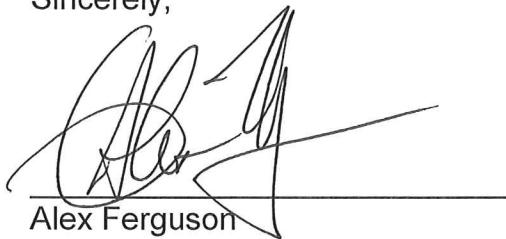
Oil and Gas Commission (Commission) staff have reviewed the application, dated January 24, 2011, requesting approval to conduct a water injectivity test into the Keg River formation of the subject well. Commission staff designates the subject interval as the Pine Point, based on historical mapping of the area.

Attached please find Order 11-02-003, designating an area in the Helmet field – Pine 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. If, after testing, the applicant submits a supplemental application requesting operation and use of a disposal reservoir, notice will be posted to the Commission website, for any objections to be filed. 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 Kelly Okuszko at (250) 419-4433.

Sincerely,



Alex Ferguson  
Commissioner  
Oil and Gas Commission

Attachment

IN THE MATTER of the application from Nexen Inc. to the Oil and Gas Commission (Commission) dated January 24, 2011 for the temporary operation and use of a storage reservoir.

**ORDER 11-02-003**

- 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 – Pine Point formation as a special project in the following area:

NTS 094-P-15 Block B - unit 45

- 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 Pine Point formation through the well a-45-B/94-P-15 (Well Permit # 25134).
  - b) The total volume of injected water must not exceed 1,500 m<sup>3</sup>.
  - c) The injection test should be designed with an attempt to establish the fracture gradient or maximum injection pressure for final disposal operations.



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Alex Ferguson  
Commissioner  
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 10 day of February 2011.