

February 14, 2011

8120-2000/2200-32640-02

Tyler Hallman, P.Eng.
RPS Energy Canada Ltd.
1400, 800 – 5th Avenue S.W.
Calgary AB T2P 3T6

Dear Mr. Hallman:

**RE: INJECTIVITY TEST APPLICATION
OREFYN SUNRISE 10-24-78-17; WA# 19319
PADDY AND CADOTTE FORMATIONS**

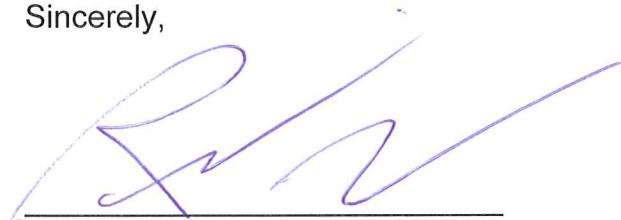
Oil and Gas Commission (Commission) staff have reviewed the application, dated February 8, 2011, requesting approval to conduct an extended water injectivity test, of up to 30,000 m³, into the Paddy and Cadotte formations of the subject well.

A previous injection test approval was issued by this office on May 26, 2010. Injectivity testing in December 2010 consisted of three step-rate tests that established a reasonable estimate of the formation fracture pressure.

The Commission denies both parts of your application; i) the large volume, and, ii) injection at/above the fracture pressure. A wellhead injection pressure of 11 MPa exceeds the safety factor of 90% of formation fracture pressure. The Commission also remains concerned that the existing abandonment of the upper perforations in the Dunvegan formation is insufficient to prevent possible inflow and fracture growth during an extended period of high pressure pumping.

Should you have any questions, please contact the undersigned at (250) 419-4421 or Ron Stefik at (250) 419-4430.

Sincerely,



Richard Slocomb, P.Eng.
Supervisor
Reservoir Engineering