



May 26, 2011

3400-2000/2200-32640-02

Kelly Smith
Business Development
Secure Energy Services Inc.
1900, 205 – 5th Ave S.W.
Calgary AB T2P 2V7

Dear Mr. Smith:

**RE: INJECTIVITY TEST SPECIAL PROJECT
SECURE DAWSON B11-4-79-14; WA# 27084
PADDY/CADOTTE FORMATIONS**

Oil and Gas Commission (Commission) staff have reviewed the application, dated March 4, 2011 (received May 11, 2011), requesting approval to conduct a water injectivity test into the Paddy/Cadotte formations of the subject well, spudded May 13, 2011.

Attached please find Order 11-02-007, designating an area in the Dawson field – Paddy/Cadotte formations 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 non-hazardous waste from area oil and gas operations.

Please note this is a temporary approval, also initiating website posting of notice of application. Decision on a final disposal approval will not be made until well results are reviewed by this office.

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

Sincerely,

A handwritten signature in blue 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 Secure Energy Services Inc., to the Oil and Gas Commission (Commission) dated March 4, 2011 for the temporary operation and use of a storage reservoir.

ORDER 11-02-007

- 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 Dawson Creek area – Paddy/Cadotte formations as a special project in the following area:

DLS TWP 79 RGE 14 SECTION 4 W6M – Lsds 11, 12, 13 & 14

- 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 Paddy/Cadotte formations through the well Secure Dawson B11-4-79-14 W6M (Well Permit # 27084).
- 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 26 day of May 2011.