



October 27, 2011

8120-2000/2200-32640-02

Randy Wolsey
Orefyn Energy Advisors
PO Box 6100
Fort St. John, BC V1J 4H6

Dear Mr. Wolsey,

**RE: NON-HAZARDOUS WASTE DISPOSAL SPECIAL PROJECT
OREFYN SUNRISE 10-24-78-17; WA# 19319
PADDY AND CADOTTE FORMATIONS**

Oil and Gas Commission (Commission) staff have reviewed the application submitted September 26, 2011, from RPS Energy Canada Ltd. on your behalf, requesting approval to dispose of non-hazardous waste into the Paddy and Cadotte formations of the subject well.

An injectivity test was approved by this office on May 26, 2010. The conditions of this approval have been met, no measurable hydrocarbons detected during completion or testing operations. This application addresses a need in the area for disposal capacity of non-hazardous waste liquids. We concur that the subject well appears to be a good candidate for non-hazardous waste disposal in the Paddy and Cadotte formations.

Attached please find Order 11-02-012, designating an area in the Sunrise field – Paddy and Cadotte formations a Special Project under section 75 of the Oil and Gas Activities Act, for use of a storage reservoir for the disposal of non-hazardous waste generated from area oil and gas operations. No objections were received during the posting of notice of this application on the OGC website.

The Ministry of Environment identifies the type of effluent approved for injection in a separate Permit. The effective date of this approval is the date of issuance of the Waste Discharge Permit, granted under the Environmental Management Act.

The form Notice of Commencement or Suspension of Operations (BC-11) must be submitted upon commencing disposal operations. Reporting of volumes, as per condition 2(b) of the Order, shall be split 50/50 for the two zones, unless subsequent information indicates a change in allocation. Operation of the disposal project will be subject to periodic review and the Commission may modify the Order, if deemed appropriate.

Should you have any questions, please contact Ron Stefik at (250) 419-4430 or Kelly Okuszkko at (250) 419-4433.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Paul Jeakins', written over a horizontal line.

Paul Jeakins
Chief Operating Officer
Oil and Gas Commission

Attachment
cc. Sarah Ibiwoye-Olayemi, RPS Energy Canada Ltd.

IN THE MATTER of the application from Orefyn Energy Advisors Corp., to the Oil and Gas Commission (Commission) dated September 26, 2011 for the operation and use of a storage reservoir.

ORDER 11-02-012

- 1 Under Section 75(1)(d) of the *Oil and Gas Activities Act*, the Commission designates the operation and use of a storage reservoir for the disposal of non-hazardous waste fluids generated from oil and gas operations, into the Sunrise area – Paddy and Cadotte formations as a special project in the following area:

DLS 78-17 W6M Section 24 – Lsds 9, 10, 15 & 16

- 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) Non-hazardous waste shall be injected only into the Paddy and Cadotte formations through the well Orefyn Sunrise 10-24-078-17 W6M (Well Permit # 19319).
 - b) A record of volume disposed of through this well must be included on a Monthly Injection/Disposal Statement, in the prescribed form (BC-S18), which must be submitted to the Oil and Gas Commission not later than the 25th day of the month following the reported month.
 - c) The non-hazardous waste disposal must be in accordance with the approval conditions of a Waste Discharge Permit, issued by the Ministry of Environment.
 - d) The disposal/injection pressure at the wellhead must not exceed 9,070 kPag.
 - e) A temperature log, to monitor injected fluid migration, must be run prior to disposal operations and following the cumulative injection of 240,000 m³.



Paul Jeakins
Chief Operating Officer
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 27th day of October 2011.