



March 23, 2011

8740-4800-59240-09

Harrison Blacker
President
Dejour Energy (Alberta) Ltd.
300, 1401 – 17th Street
Denver, Colorado
USA 80202

Dear Mr. Blacker:

**RE: PRESSURE MAINTENANCE WATERFLOOD ORDER, AMENDMENT #1
OTHER THAN NORMAL SPACING ORDER, AMENDEMENT #1
WOODRUSH – HALFWAY “E” POOL**

The Commission has reviewed your application dated February 17, 2011, requesting an amendment to the pressure maintenance waterflood approval for the Woodrush field Halfway “E” oil pool issued December 16, 2010.

A new well, Dejour Woodrush a-A1-I/94-H-2 (WA# 26783) – bottom-hole location d-1-I - was completed in the subject pool on February 16, 2011 for the purpose of providing a second water injection location. Water injection commenced in the pool at the previously approved location a-91-H/94-H-2 (WA# 25228) on March 4, 2011.

Attached are Orders 10-09-002 Amendment #1 and 10-09-002-OTN Amendment #1 designating pressure maintenance within the Woodrush – Halfway “E” pool a Special Project under section 75 of the *Oil and Gas Activities Act* and approving an Other Than Normal Spacing under section 65.1 of the *Petroleum and Natural Gas Act* for the subject area.

This amendment recognizes the new well a-A1-I as an additional injector location, all other conditions remain unchanged. Please note that the operation of the pressure maintenance scheme will be subject to periodic review and the Commission may modify the Orders, if deemed appropriate.

Should you have any questions, please contact Ron Stefik at (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

Attachments

IN THE MATTER of an application from Dejour Energy (Alberta) Ltd. to the Commission dated February 17, 2011 for recovery of oil by waterflooding.

ORDER 10-09-002 AMENDMENT #1

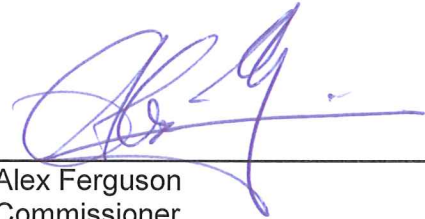
- 1 Under Section 75(1)(a) of the *Oil and Gas Activities Act*, the Woodrush – Halfway “E” pool is designated a special project for pressure maintenance for recovery of oil by water injection within the following area;

94-H-2 Block H Units 81, 91
Block I Unit 1.

- 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) The project daily oil allowable is 66.6 m³.
- b) Water may be injected into the Woodrush - Halfway “E” pool through the wells a-91-H/94-H-2 (WA # 25228) and a-A1-I/94-H-2 (WA# 26783).
- c) All associated produced gas must be conserved.
- d) The injection pressure measured at the sandface must not exceed the formation fracture pressure.
- e) The permit holder must submit a progress report to the Commission for each twelve month period the scheme is in operation. The progress report must be filed within 60 days after the end of each period and must contain the following :
 - i) the daily average rate during each month of oil production for each producing well, and for the scheme as a whole
 - ii) the average gas-oil and water-oil rates during each month for each producing well, and for the scheme as a whole
 - iii) the monthly cumulative gas, oil and water production for each producing well, and for the scheme as a whole
 - iv) for each type of fluid being injected, the daily average rate of injection per operating day during each month into each injection well, and for the scheme as a whole
 - v) for each type of fluid being injected, the weighted average wellhead injection pressure during each month for each injection well, and for the scheme as a whole
 - vi) for each type of fluid being injected, the monthly cumulative volume of fluid injected to each injection well, and for the scheme as a whole
 - vii) the current volumetrically weighted formation pressure for the scheme as a whole and a copy of the isobaric map from which this pressure was calculated
 - viii) the date and type of any well treatment or workover which must be indicated, in the case of injection wells, on the report of the injected volume, and in the case of producing wells, on the report of the daily average oil production rate

- ix) calculations of the balance during each month between fluids injected into, and fluids withdrawn from, the part of the pool subject to the scheme and by individual patterns, where applicable
- x) an outline of the method actually in use for the quality control and treatment of fluid being injected, or, where there has been no change in the control or treatment from that outlined in a previous report, a statement to that effect



Alex Ferguson
Commissioner
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 23 day of March 2011.