



August 14, 2012

3425-2600-32640-02

Chris Haubrich, P. Eng.
Exploitation Engineer – Dawson/Parkland
ARC Resources Ltd.
1200, 308 - 4th Avenue SW
Calgary AB T2P 0H7

Dear Mr. Haubrich:

**RE: PRODUCED WATER DISPOSAL SPECIAL PROJECT
ARCRES DOE 01-34-079-14W6M; WA# 27780
BLUESKY FORMATION**

Oil and Gas Commission (Commission) staff have reviewed the application, dated June 1, 2012, requesting approval to dispose of produced water and fracture flowback fluid into the Bluesky formation of the subject well. In place of a step rate injectivity test, the OGC has accepted data from a well located at A11-04-079-14W6M to establish the maximum wellhead injection pressure.

Attached please find **Order 12-02-018**, designating an area in the Doe field – Bluesky formation a Special Project under section 75 of the Oil and Gas Activities Act, for use of a storage reservoir for the disposal of produced water and flowback from fracture operations generated from oil and gas operations, specifically, development of tight gas resources in the Regional Heritage Montney formation.

Should you have any questions, please contact Michelle Gaucher at (250) 419-4482 or Ron Stefik at (250) 419-4430.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Slocomb', written over a horizontal line.

Richard Slocomb, P.Eng
Deputy Commissioner, Engineering
Oil and Gas Commission

Attachment

IN THE MATTER of the application from ARC Resources Ltd., to the Oil and Gas Commission dated June 1, 2012 for the operation and use of a storage reservoir.


ORDER 12-02-018

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 produced salt water and flowback from fracturing operations into the Bluesky formation – Doe field as a special project in the following area:

DLS Twp 79 Rge 14 W6M Section 34 – Lsds 1, 2, 7, 8.

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) Produced salt water, including flowback fluids, shall be injected only into the Bluesky formation through the well ARCRES Doe 01-34-079-14W6M (Well Permit # 27780).
- 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 disposal/injection pressure at the wellhead must not exceed 14,800 kPa.
- d) A BC11 form must be submitted to the Ministry of Finance to notify of commencement of operations and update the well status.



Richard Slöcomb, P.Eng
Deputy Commissioner, Engineering
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 14 day of August, 2012.