April 14, 2008 6480-4800-32640-02

Max K. Eddington
Senior Land Negotiator
BP Canada Energy Company
240 – 4th Avenue S.W.
P.O. Box 200
Calgary, Alberta T2P 2H8

Dear Mr. Eddington:

RE: APPLICATION FOR SALT WATER DISPOSAL BP Devon Wapiti a-44-H/93-I-10, (WA# 8372); Halfway Formation

The Commission has reviewed your application of January 28, 2008, requesting permission to dispose of produced water into the Halfway and Ksituan formations of the subject well.

Please note that this approval only deals with the Halfway zone.

The subject well is mapped as the Ojay - Halfway "A" single well gas pool, completed in a fractured reservoir with strong water drive. The Halfway well has cumulatively produced 82.1 10³ m³ of gas between November 2003 and October 2006, and was shut-in due to excessive water production.

We concur that the subject well appears to be a good candidate for salt water disposal in the Halfway formation. However, the Commission requests that, prior to the well being converted to water disposal service, the Halfway zone be flow tested to determine whether water production has subsided after about 18 months shut-in to ensure that no more gas is recoverable. Notice of your application was posted on the OGC website, with no objections received.

Attached is Approval 08-02-003 for the application granted under Part 8, Division 3, Section 94 of the *Drilling and Production Regulation*.

With respect to title retention in the Ksituan (Taylor Flat) formation for future water disposal, you are requested to contact Mr. Dave Richardson, Manager Geology, Oil and Gas Titles, Titles Division at (250) 952-0359.

Sincerely,

Richard Slocomb, P. Eng.

Supervisor, Reservoir Engineering

Attachment

APPROVAL 08-02-003

THE PROVINCE OF BRITISH COLUMBIA PETROLEUM AND NATURAL GAS ACT DRILLING AND PRODUCTION REGULATION OIL AND GAS COMMISSION

IN THE MATTER of a scheme of BP Canada Energy Company (BP) for Salt Water Disposal (SWD) in the Halfway formation in the well BP Devon Wapiti a-44-H/93-I-10 (WA# 8372).

NOW, THEREFORE, pursuant to Part 8, Division 3, Section 94 of the *Drilling and Production Regulation*, the SWD scheme is hereby approved, as such scheme is described in

an application from BP to the Commission dated January 28, 2008 and supplemental information.

- 1. The water disposal interval must be in the Halfway formation.
- 2. A record of volume of salt water 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.
- 3. The disposal/injection pressure at the sandface must not exceed the formation fracture pressure.
- 4. The Commission must be notified in writing of the date of commencement of produced water disposal.
- 5. This approval may be modified or rescinded if deemed appropriate through a change in circumstances.

Richard Slocomb

Supervisor, Reservoir Engineering

Resource Conservation

Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 15th day of April 2008.