

August 18, 2010

9000-7400-32640-02

Chris Anderson, E.I.T
Production Engineer
EOG Resources Canada Inc.
1300, 700 – 9th Avenue S.W.
Calgary AB T2P 3V4

Dear Mr. Anderson:

**RE: SALT WATER AND RECOVERED FLUIDS DISPOSAL APPROVAL
EOG GOTE c-18-B/94-O-09 (WA# 26179); DEBOLT FORMATION**

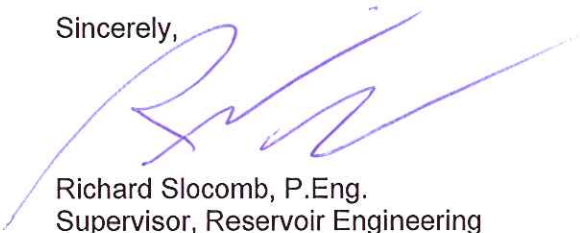
Commission staff have reviewed the information submitted in support of your application, dated June 24, 2010, requesting permission to dispose of produced water and completion/workover fluids resulting from fracture treatments in the Horn River Basin into the Debolt formation of the subject well.

An injectivity test was conducted on June 13, 2010. Information from the injectivity test indicates potential disposal capability of 7,920 m³/d at 1,000 kPa; however, formation fracture pressure was not achieved during the injection test. In the absence of a calculated fracture gradient, 14 kPa/m was chosen as a conservative fracture gradient, based on a theoretical calculated minimum value from literature. This calculation yields a maximum allowable wellhead pressure of 2 MPa as specified in condition #3 of the attached approval.

Attached is Approval 10-02-007 for the application, granted under Part 8, Division 3, section 94 of the *Drilling and Production Regulation*. The form Notice of Commencement or Suspension of Operations (BC-11) must be submitted upon commencing injection operations.

Should you have any questions, please contact the undersigned at (250) 419-4421 or Travis Mercure at (250) 419-4448.

Sincerely,



Richard Slocomb, P.Eng.
Supervisor, Reservoir Engineering
Resource Conservation

Attachment

APPROVAL 10-02-007

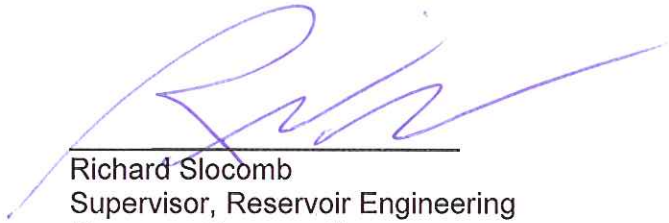
THE PROVINCE OF BRITISH COLUMBIA
PETROLEUM AND NATURAL GAS ACT
DRILLING AND PRODUCTION REGULATION
OIL AND GAS COMMISSION

IN THE MATTER of a scheme of EOG Resources Canada Inc. (EOG) for Salt Water and Recovered Fluids Disposal in the Other Areas – Debolt formation in the well EOG Gote c-18-B/94-O-09 (WA# 26179).

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

*an application from EOG to the Commission dated June 24, 2010
and related submissions.*

1. The disposal interval must be in the Debolt formation.
2. A record of volume of salt water and recovered fluid 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 wellhead must not exceed 2 MPa.
4. The Commission must be notified in writing of the date of commencement of 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 18th day of August 2010.