



November 6, 2007

9000-2600/2700-32640-02

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

Dear Mr. Wolsey:

RE: SALT WATER DISPOSAL OPERATION
OREFYN E BLUEBERRY d-96-K/94-A-12; WA 10702

The Commission issued Approval #03-02-001 on January 20, 2003 for the disposal of produced salt water into the Dunlevy formation of the subject well. Subsequent approvals # 04-02-14 and 04-02-014, dated October 25, 2004 (copies attached), added the Bluesky and Gething formations, however it has been confirmed that these zones have not yet been completed in this well. You will note that condition #3 of each of these approvals states; "The disposal/injection pressure at the sandface must not exceed the formation fracture pressure."

OGC records indicate that injection/disposal commenced in October 2003. Cumulative disposal volume reported to the end of August 2007 is 154,346 m³. The reported wellhead operating pressure from April 2006 to August 2008 has been 2900 kPa, however a fax transmittal dated October 10, 2007 indicates that the actual wellhead pressure ranges from 1800 to 2000 psi.

The Commission estimates that the maximum disposal wellhead pressure to remain below the formation fracture pressure in the Dunlevy is 1400 psi (9650 kPa). Recent drilling of the off-setting well Altia HZ Blueberry b-7-C/94-A-13 (WA# 22946) encountered a highly overpressured zone. This anomaly is very likely a result of sustained injection above fracture gradient at d-96-K.

In order for the current disposal approval to remain valid, Orefyn Energy Advisors Corp., the well authorization holder, must immediately ensure that the well head operating pressure is within acceptable limits. Written response confirming corrective action must be received by this office no later than November 16, 2007.

Also, Monthly Injection/Disposal Statements, 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, are missing for the following months: 2003-11, 2003-12, 2005-12, 2006-01, 2006-06, 2006-07, 2006-08, 2006-12 and 2007-01. Please ensure that these are promptly forwarded.

Sincerely,

Ron Stefik, AScT
Sr Reservoir Engineering Technologist

Attachments

cc: Don Buckland, Rachel Butler

RESOURCE CONSERVATION BRANCH

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