



May 2, 2012

3600-4800-32640-02

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

Dear Mr. Wolsey:

**RE: SALT WATER DISPOSAL SPECIAL PROJECT, AMENDMENT #1
OREFYN FT ST JOHN 11-12-84-19 W6M; WA# 3010
FT ST JOHN FIELD - HALFWAY 'C' POOL**

An approval for disposal of produced salt water was issued for the subject well, Halfway formation, on September 24, 1992. This approval was continued under the *Oil and Gas Activities Act* as Order 92-02-005.

Oil and Gas Commission (Commission) staff have recently discussed with you the current practice of special project orders for salt water disposal including a specific maximum allowable wellhead injection pressure, calculated to ensure that the formation fracture pressure is not exceeded. Injected fluid exceeding this pressure may migrate outside of the intended zone, leading to contamination and over-pressuring. Therefore this order is being amended to include a maximum injection pressure, to remain below reservoir fracture pressure. Attached find Order 92-02-005 (Amendment #1), which establishes a maximum permissible wellhead injection pressure and requirements for measuring and reporting.

Section 75 of the Drilling and Production Regulation stipulates that a record of the volume of disposal must be included on a Monthly Injection or Disposal Statement (BC-S18), which must be submitted to the Oil and Gas Commission no later than the 25th day of the month in which activity occurred. Operation of the disposal project is subject to periodic review and the Commission may modify the Order, if deemed appropriate.

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

Sincerely,

A handwritten signature in purple ink, appearing to read 'Ken Paulson', is written over a light blue horizontal line.

Ken Paulson
Chief Operating Officer
Oil and Gas Commission

Attachment

cc Dean Zimmer, OGC Director, Compliance & Enforcement

ORDER 92-02-005 (Amendment #1)

IN THE MATTER of the operation and use of a storage reservoir, issued as Approval 92-02-005 to Wainoco Oil Corporation on September 23rd 1992 and continued as a special project under section 75 of the *Oil and Gas Activities Act* as Order 92-02-005 held by Orefyn Energy Advisors Corp.:

- 1 I hereby amend Order 92-02-005 by adding following conditions under section 75(2) of the *Oil and Gas Activities Act*:
 - a) Produced water, including completion fluids, shall be injected only into the Halfway formation (1464.2 - 1473.5 mKB) through the well Orefyn Ft St John 11-12-84-19 W6M (WA # 3010).
 - b) The wellhead injection pressure must not exceed 11,900 kPa.
 - c) The wellhead injection pressure must be continuously measured and recorded, beginning May 9, 2012.
 - d) The wellhead injection pressure reported on the form Monthly Injection/Disposal Statement BC S18 must be the maximum pressure recorded during the reporting month.



Ken Paulson
Chief Operating Officer
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 02 day of May 2012.