July 31, 2008

3426-2700-32640-02

Heather L. Mitchell
Senior Reservoir Engineering Tech – Northern Team
Pengrowth Corporation
2100, 222 – 3<sup>rd</sup> Avenue S.W.
Calgary, Alberta T2P 0B4

Dear Ms. Mitchell:

RE: SALT WATER DISPOSAL APPROVAL Pengrowth et al Doig d-54-F/94-A-16; WA# 9434

The Commission has reviewed your application dated June 4, 2008 requesting permission to dispose of produced water into the Gething formation of the subject well.

Approval for temporary water injection has granted on August 29, 2007. Results from that test, and the subsequent reservoir pressure measurement, indicate a limited containment volume for continued disposal. The Commission agrees that this well would be a suitable candidate for salt water disposal in the Gething formation, so long as wellhead injection pressures are closely monitored to remain below formation fracture gradient. Disposal at this location may facilitate additional production from area wells. Notice of your application was posted to the OGC website and no objections were received.

Attached is Approval 08-02-007 for the application granted under Part 8, Division 3, Section 94 of the *Drilling and Production Regulation*.

Should you have any questions, please contact Ron Stefik at (250) 952-0310.

Sincerely,

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Richard Slocomb, P.Eng.

Supervisor, Reservoir Engineering

## APPROVAL 08-02-007

## 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 Pengrowth Corporation (Pengrowth) for Salt Water Disposal (SWD) in the Gething formation in the well Pengrowth et al Doig d-54-F/94-A-16 (WA# 9434).

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 Pengrowth to the Commission dated June 4, 2008 and related submissions.

- 1. The disposal interval must be in the Gething formation (1010.0 1024.0 mKB).
- 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 sandface must not exceed the formation fracture pressure.
- 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 31st day of July 2008.