

June 19, 2012

7265-7400-32640-02

Guy Boucher Permitting and Evaluations Supervisor Talisman Energy Inc. Suite 2000, 888 3rd Street S.W. Calgary AB T2P 5C5

Dear Mr. Boucher:

RE:

SALT WATER DISPOSAL SPECIAL PROJECT TALISMAN PINTAIL 14-34-84-25W6M; WA# 22801

DEBOLT FORMATION

Oil and Gas Commission (Commission) staff have reviewed the application, dated April 23, 2012, requesting approval to dispose of produced water and fracture flowback fluid into the Debolt formation of the subject well.

Attached please find **Order 12-02-016**, designating an area in the Pintail field – Debolt formation a Special Project under section 75 of the <u>Oil and Gas Activities Act</u>, for use of a storage reservoir for the disposal of produced water and flowback from fracture operations generated from oil and gas operations, specifically, development of gas resources in the Montney formation.

Should you have any questions, please contact Curtis Kitchen at (250) 419-4443 or Ron Stefik at (250) 419-4430.

Sincerely,

Richard Slocomb, P.Eng Deputy Commissioner

Oil and Gas Commission

Attachment

IN THE MATTER of the application from Talisman Energy Inc., to the Oil and Gas Commission (Commission) dated April 23, 2012 for the operation and use of a storage reservoir.

ORDER 12-02-016

Under Section 75(1)(d) of the Oil and Gas Activities Act, the Commission designates the operation and use of a storage reservoir for the disposal of produced salt water and flowback from fracturing operations into the Debolt formation – Pintail field as a special project in the following area:

DLS Twp 84 Rge 25 W6M Section 34 - Lsds 11,12,13,14.

- 2 Under section 75(2) of the *Oil and Gas Activities Act*, the special project designation in this Order is subject to the following conditions:
 - a) Produced salt water, including flowback fluids, shall be injected only into the Debolt formation through the well Talisman Pintail 14-34-084-25 (Well Permit # 22801).
 - b) A record of volume 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.
 - c) The disposal/injection pressure at the wellhead must not exceed 11,800 kPa.
 - d) A BC11 form must be submitted to the Ministry of Finance to notify of commencement of operations and update the well status.

Richard 8locomb, P.Eng Deputy Commissioner Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this / day of June 2012.