

OIL AND GAS COMMISSION

December 7, 2007

9000-7400-32640-02

Don Babiuk Production Engineering Manager Apache Canada Ltd. 1000, 700 – 9th Avenue S.W. Calgary, AB T2P 3V4

Dear Mr. Babiuk:

RE: WATER INJECTIVITY TEST; DEBOLT FORMATION APACH OOTLA a-B2-J/94-O-9, (WA# 23649)

The Commission has reviewed your "pre-application", dated November 19, 2007, requesting permission to dispose of water into the Debolt formation of the subject proposed well. The drilling of this well is planned to occur during the current winter season, in support of Experimental Scheme #07-15-003 for shale gas production. Regulatory pre-assessment of the application is expected to expedite activity during the limited period of accessibility.

Circumstantial evidence would indicate that this location is prospective for water disposal in the Debolt formation. Testing of this zone, including an injection test, will be required to determine suitability for disposal well operation.

Approval for temporary injectivity testing is hereby granted under Part 8, Division 3, Section 94 of the *Drilling and Production Regulation*, subject to the following conditions:

- 1. The test injection interval must be in the Debolt formation.
- 2. Prior to injection, a production test must be attempted to evaluate hydrocarbon potential.
- 3. The total volume of injected water must not exceed $2,000 \text{ m}^3$.
- 4. The disposal/injection pressure at the sandface must not exceed the formation fracture pressure.

Please note that a notice of your application has been posted to the OGC website, with December 28, 2007 as the closing date for any objections to be filed. Final approval will not be issued until well results, in a supplemental application, are reviewed by this office.

Sincerely,

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

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