



August 11, 2020

0320-4100-32640-02

Dave Kelly, P. Geo
Senior Geologist
Pacific Canbriam Energy Limited
2100, 215 – 2nd Street S.W.
Calgary, Alberta T2P 1M4

Dear Mr Kelly,

**RE: PRODUCED WATER DISPOSAL SPECIAL PROJECT APPROVAL
PACIFIC CANBRIAM ALTARES d-76-H/94-B-08; WA# 31916
ALTARES FIELD – BALDONNEL FORMATION**

The subject well was purpose drilled for disposal in March 2017. Approval for disposal use was issued in November, 2017 under Order #17-02-015. Due to past seismicity in the Baldonnel formation in this area, the Order includes a requirement for seismic monitoring and reporting for events greater than or equal to magnitude 1.5Mw. This includes condition 2 g):

g) Report the results of seismicity monitoring in Item e) and f), including date, time, location, magnitude, ground acceleration and depth of seismic events, to the Oil and Gas Commission (Commission) via email to Reservoir@bcogc.ca, at 1 month intervals, commencing one month from the date that disposal begins, or upon request.

Seismic data submitted to-date indicates events have consistently diminished in both frequency and maximum monthly magnitude, with no events exceeding 1.5Mw since the well was shut-in May 26, 2020. Going forward, Pacific Canbriam Energy is required to submit a monthly seismic report specified under condition 2 g) only if an event equal to or exceeding magnitude 1.5Mw occurs.

Should you have any questions, please contact Michelle Gaucher at (250) 419-4482 or Ron Stefik at (250) 419-4430.

Sincerely,

A handwritten signature in blue ink, appearing to read "R. Stefik".

Ron Stefik, Eng.L.
Supervisor, Reservoir Engineering
Oil and Gas Commission