

October 21, 2014

0740-7100-32640-02

Bob Petryk  
Operations Manager  
Transeuro Beaver River Inc.  
2800, 350 - 7th Ave S.W.  
Calgary, Alberta T2P 3N9

Dear Mr. Petryk:

**RE: PROPOSED DISPOSAL WELL  
TRANSEURO ET AL BEAVER b-36-K/94-N-16; WA #21755  
BEAVER RIVER FIELD - MATTSON FORMATION**

Commission staff have reviewed your request dated September 29, 2014, seeking assessment on a proposed disposal well in the Mattson pool in the Beaver River field area.

The subject directional well, Transeuro et al Beaver b-36-K/94-N-16, was drilled in January 2001 to evaluate gas potential in the Mattson and Upper Besa River formations. Three Upper Besa River intervals and one Lower Mattson interval were perforated and fracture stimulated. The targeted zones did not prove productive and the well never produced. Currently, the Upper Mattson is being evaluated for potential as a water disposal zone. The Upper Mattson appears viable for disposal with 36m of good porous and permeable water saturated sandstone reservoir in the subject well. The formation appears well contained above and below, and has proven disposal capability in well d-64-K/94-N-16 (WA 325), 3.8 km to the northeast of the subject well, with over 1 million m<sup>3</sup> disposed to-date.

Disposal approval as an OGAA Section 75 Special Project may be granted once the well is tested to ensure suitability to disposal operation. A key value will be the reservoir pressure encountered, to confirm the current local reservoir conditions, connectivity to other Upper Mattson disposal operations and determine future storage capacity. Ensure the reservoir pressure is obtained before injectivity testing or hydraulic fracturing is conducted. Post-stimulation pressure testing often results in non-stabilized reservoir pressure values.

Other key information will be a recent cement evaluation log, a temperature log and a casing integrity test to ensure containment above and below the injection perfs and injectivity testing to prove the ability to accept fluid. Cementing records indicate top of cement on the intermediate liner at 652m, while surface casing cement ends at 293m. If the intermediate casing is not cemented to surface, the permit holder must demonstrate hydraulic isolation of all porous zones.

Should you have any questions, please contact the Ron Stefik at (250) 419-4430 or Michelle Gaucher at (250) 580-5968.

Sincerely,



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