



April 30, 2015

3600-2800-32640-02

Randy Wolsey
Aqua Terra Water Inc
105, 10136 – 128 Avenue
Grande Prairie, AB
T8V 1E9

Dear Mr. Wolsey,

**RE: PRODUCED WATER DISPOSAL SPECIAL PROJECT
AQWWM FT ST JOHN 11-12-84-19 W6M; WA# 3010
HALFWAY FORMATION**

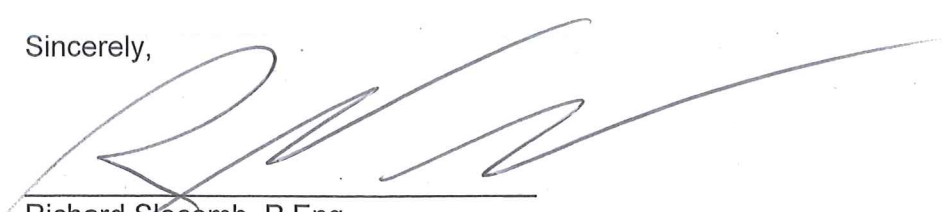
The Commission has reviewed the proposed Integrity Testing Program submitted by Aqua Terra in an email dated April 15, 2015. The submission was in response to an email from the Commission dated April 13, 2015 seeking a timeline for testing as required in **Order 92-02-005 Amendment #2**.

Approval for disposal of produced water was issued for the subject well, Halfway formation, on September 24, 1992. This approval was continued under the Oil and Gas Activities Act as Order 92-02-005, and amended May 2, 2012 to include a maximum wellhead injection pressure limit. In order to ensure the disposal well meets current disposal capacity and wellbore integrity standards, a second amendment, Order 92-02-005 Amendment #2, was issued March 21, 2014 with conditions which specified a reservoir pressure test, a casing inspection log, and a hydraulic isolation log to be performed within 90 days. The requested testing will demonstrate that the wellbore and formation integrity continue to be conducive to safe and effective disposal activities in the subject well.

Aqua Terra did not complete the requirements of Order 92-02-005 Amendment #2 within the required timeframes. Further, the proposed Integrity Testing Program submitted on April 15, 2015 does not meet the requirements of Order 92-02-005 Amendment #2. Specifically the program proposed does not include a reservoir pressure test or set out a definitive timeline for completing the required reservoir pressure test, casing inspection log and hydraulic isolation log. The subject well has continued disposal for 10 months past the due date indicated in conditions 2 i) and j) of Order 92-02-005 Amendment #2. In order to bring the well into compliance, and avoid suspension of the disposal order, Aqua Terra is required to take immediate steps to initiate testing required by Order 92-02-005 Amendment #2 and to complete and submit that work by **July 15, 2015**.

Should you have any questions, please contact Ron Stefik at (250) 419-4430 or Michelle Harding at (250) 419-4493.

Sincerely,



Richard Stocomb, P.Eng.
Deputy Commissioner, Engineering
Oil and Gas Commission