



December 6, 2016

7770-7400-32640-02

Blen Jimma, EIT
Husky Oil Operations Ltd.
707 – 8th Ave, SW
Calgary, AB T2P 3G7

Dear Ms Jimma,

**RE: PRODUCED WATER DISPOSAL SPECIAL PROJECT APPROVAL, AMENDMENT #2
HUSKY SIERRA c-92-D/94-I-14; WA# 13592
SIERRA FIELD – DEBOLT FORMATION**

Approval for disposal of produced water, Order 01-02-005, was issued for the subject well, Debolt formation, on March 6, 2001. Order 01-02-005 Amendment #1 was issued on June 5, 2001 to expand the perforation interval. The Commission is presently amending disposal well approvals to conform to current requirements.

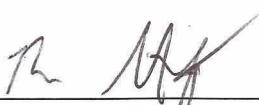
The subject well commenced disposal into the Debolt formation in March 2001. A total of 1,424,979 m³ of produced water has been disposed to date. Reservoir pressure tests from 2015 and 2016 show that reservoir pressure has not increased significantly, and there is capacity remaining for disposal. The well continues to accept fluids on vacuum. Integrity testing shows that the casing is in good condition and passes segregation testing.

Attached please find **Order 01-02-005 Amendment #2**, designating an area in the Sierra field –Debolt formation as a Special Project under section 75 of the *Oil and Gas Activities Act*, for the operation and use of a storage reservoir for the disposal of produced water. This Order contains a number of detailed operational conditions including a maximum wellhead injection pressure, reservoir pressure fill-up limit, and continuous tubing and casing pressure monitoring. There are due dates for a hydraulic isolation log and a cement bond log to be completed. Additional general information regarding disposal wells is available on the Commission's website at <http://www.bcogc.ca/industry-zone/documentation/Subsurface-Disposal>.

In certain circumstances, disposal well operation may induce seismicity. The Commission advises that disposal well permit holders monitor seismic events in proximity to the well and be prepared to modify operations to mitigate induced seismicity. Permit holders may monitor seismic events through the Natural Resources Canada seismic monitoring network at <http://www.earthquakescanada.nrcan.gc.ca/recent/index-eng.php>

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

Sincerely,



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

Attachment



ORDER 01-02-005 Amendment #2

- 1 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 water, including flowback from fracturing operations, into the Debolt formation – Sierra field as a special project in the following area:
NTS 94-I-14 Block D Unit 92
- 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. The Permit Holder shall:
 - a) Inject produced water only into the well Husky Sierra c-92-D/94-I-14; WA# 13592 – Debolt formation (disposal perforations 637.5 – 708.0 mKB).
 - b) Not exceed an injection pressure, measured at the wellhead on the subject well, of 2,100 kPag or the pressure required to fracture the formation, whichever is lesser.
 - c) Inject only through tubing with a packer set as near as is practical above the injection interval.
 - d) Continually measure and record the wellhead casing and tubing pressures electronically.
 - e) Cease injection and notify the Commission immediately if hydraulic isolation is lost in the wellbore or formation.
 - f) Submit the annual packer isolation test report to the Commission within 30 days of the completion of the test.
 - g) Include the disposal operating hours and the maximum injection pressure value on the monthly BC-S18 disposal statement.
 - h) Conduct an annual reservoir pressure test on the formation in the subject well, with a shut-in period of sufficient length to provide data for calculation of the reservoir pressure, and submit a report of the test within 60 days of the end of the test.
 - i) Cease injection upon reaching a maximum formation pressure of 7,015 kPaa, measured at 672.75 mKB.
 - j)
 - i) Perform a cement bond log on the subject well by March 31, 2018. Submit results to the Commission within 30 days of the completion of logging.
 - ii) Perform a casing inspection log on the subject well and submit results to the Commission within 30 days of the completion of logging, at an interval of not more than every 10 years.
 - iii) Perform a hydraulic isolation temperature log by December 31, 2017, and thereafter at an interval of no more than every 5 years, and submit results to the Commission within 30 days of the completion of logging.
 - k) Not conduct a hydraulic fracture stimulation on any formation in the subject well without prior Commission approval.

A handwritten signature in black ink, appearing to read "Ron Stefik", written over a horizontal line.

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

DATED AT the City of Victoria, in the Province of British Columbia, this 6th day of December, 2016.

Advisory Guidance for Order 01-02-005 Amendment #2

- I. A production packer must be set above the injection interval and the space between the tubing and casing filled with corrosion and frost inhibiting fluids, as per section 16(2) of the Drilling and Production Regulation.
- II. Annual packer isolation tests are required to be submitted, as per section 16(3) of the Drilling and Production Regulation.
- III. Injected fluids must be metered and the injection pressure measured at the wellhead, as per section 74 of the Drilling and Production Regulation.
- IV. A monthly disposal statement must be submitted to the Commission not later than the 25th day of the month following the reported month, as per section 75 of the Drilling and Production Regulation.
- V. Seismic events must be reported and disposal operations suspended as per section 21.1 of the Drilling and Production Regulation.