



December 13, 2018

8120-2010-32640-02

Michelle Yarrow
Production Technician
ARC Resources Ltd
1200, 308 – 4th Avenue SW
Calgary, AB T2P 0H7

Dear Ms. Yarrow:

**RE: PRESSURE TESTING EXEMPTION; 2018 AND 2019
PRODUCED WATER DISPOSAL SPECIAL PROJECT APPROVAL
ARCRES SUNRISE 13-36-78-18 W6M; WA# 27024
PADDY-CADOTTE FORMATION**

BC Oil and Gas Commission (Commission) staff have reviewed your application, dated November 27, 2018, requesting exemption of the requirement for annual reservoir pressure testing for the well ARCRES Sunrise 13-36-78-18 (WA 27024).

Approval for disposal of produced water, Order 15-02-008, was issued for the subject well, Paddy-Cadotte formation, on April 8, 2015. Disposal operations into the well began in July 2015 and, to date, 8,208 m³ has been disposed into the Paddy-Cadotte formation. In October 2018, the tubing and packer were pulled from the well and a permanent bridge plug capped with cement was set at 868 mKB. These workover operations have downhole suspended the Paddy-Cadotte completion event. The status of this completion event will become abandoned zone once the completion/workover report submission has been reviewed.

The annual reservoir pressure requirement outlined in condition 2h) of Order 15-02-008 is hereby waived for the 2018 and 2019 calendar years. A reservoir pressure test must be conducted prior to recommencing disposal in the Paddy-Cadotte formation. The Commission will terminate Order 15-02-088 on December 31, 2019, unless ARC Resources Ltd. provides a plan to reactivate the well prior to this date.

Please be reminded that surface casing vent flow (SCVF) testing must be conducted during well servicing operations in order to prove safe well operation as a SCVF was measured on the subject well in 2011.

Should you have any questions, please contact Kathryn at (250) 419-4406 or Ron Stefik at (250) 419-4430.

Sincerely,

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