



September 11, 2019

8157-2600-32640-02

Jaryn Flower
ARC Resources Ltd.
1200, 308 – 4th Ave S.W.
Calgary, AB T2P 0H7

Dear Jaryn Flower:

**RE: PRODUCED WATER DISPOSAL SPECIAL PROJECT CANCELLATION
ARCRES TOWER 4-12-081-17 (WA#18308)
TOWER LAKE FIELD – BLUESKY FORMATION**

The subject well was drilled in 2004 and completed into the Doig 'A' pool. The well produced gas from February 2005 until July 2006. The Doig 'A' formation was subsequently suspended and the Halfway formation was completed in August 2006 but never produced. Approval for salt water disposal into the Cadomin formation was granted on June 6, 2007, however no disposal operation occurred. On March 31, 2009, approval was granted for salt water disposal into the Bluesky formation, but only minor volumes were injected. On September 10th, 2019, ARC Resources Ltd. indicated having no plans for reactivation.

Pursuant to the *Oil and Gas Activities Act (OGAA)* section 75(2)(b), the Commission may cancel, suspend or amend a designation (iii) if the Commission considers that the designation is spent, or (iv) if the Commission considers that the designation is no longer appropriate, including, without limitation, for reasons of (a) public safety, (b) protection of the environment, or (c) conservation of petroleum and natural gas resources.

The Special Project Approval 09-02-005 for the Tower Lake field, Bluesky formation well Arcres Tower 4-12-081-17 (WA 18308) is hereby cancelled under section 75(2)(b) of OGAA. In accordance with Section 75(2)(b)(iii), the Commission considers that the designation is spent.

Should you have any questions, please contact Logan Gray at (250) 419-4465 or the undersigned at (250) 419-4430.

Sincerely,

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

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