



May 24, 2012

3400-2000/2200-32640-02

Mark Hampson
Business Development
Secure Energy Services Inc.
1900, 205 – 5th Ave S.W.
Calgary AB T2P 2V7

Dear Mr. Hampson:

**RE: SALT WATER & NON-HAZARDOUS WASTE DISPOSAL SPECIAL PROJECT
SECURE DAWSON 4-36-78-15; WA# 26920
PADDY AND CADOTTE FORMATIONS**

Oil and Gas Commission (Commission) staff have reviewed the application, dated January 23, 2012 and supplemental information provided March 26, 2012, requesting approval to dispose of produced water and non-hazardous waste into the Paddy and Cadotte formations of the subject well.

An injectivity test, approved under Order 12-02-007, was issued by this office on February 22, 2012. The conditions of this Order have been met; no measurable hydrocarbons were detected during completion or testing operations. This application addresses a need in the area for disposal capacity of produced water and non-hazardous waste liquids. We concur that the subject well appears to be a good candidate for disposal in the Paddy and Cadotte formations.

Attached please find Order 12-02-015, designating an area in the Dawson field – Paddy and Cadotte formations a Special Project under section 75 of the *Oil and Gas Activities Act*, for use of a storage reservoir for the disposal of non-hazardous waste generated from area oil and gas operations. No objections were received during the posting of notice of this application on the OGC website.

The Ministry of Environment identifies the type of effluent approved for injection in a separate Permit. The effective date of this approval is the date of issuance of the Waste Discharge Permit, granted under the *Environmental Management Act*.

The form Notice of Commencement or Suspension of Operations (BC-11) must be submitted upon commencing disposal operations. Reporting of volumes on a Monthly Injection/Disposal Statement (BC-S18) shall be split 50/50 for the two zones, unless subsequent information indicates a change in allocation. Operation of the disposal project will be subject to periodic review and the Commission may modify the Order, if deemed appropriate.

Should you have any questions, please contact Ron Stefik at (250) 419-4430 or Kelly Okuszko at (250) 419-4433.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Ken Paulson', is written over a blue horizontal line.

Ken Paulson
Chief Operating Officer
Oil and Gas Commission

Attachment

IN THE MATTER of the application from Secure Energy Services inc., to the Oil and Gas Commission (Commission) dated January 23, 2012 for the operation and use of a storage reservoir.

ORDER 11-02-015

- 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 and non-hazardous waste fluids generated from oil and gas operations, into the Dawson Creek area – Paddy and Cadotte formations as a special project in the following area:

DLS Twp 78 Rge 15 W6M Section 36 – Lsds 3, 4, 5 and 6.

- 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:

- a) Produced water and non-hazardous waste shall be injected only into the Paddy and Cadotte formations through the well SECURE DAWSON 4-36-78-15 W6M (Well Permit # 26920).
- b) The disposal/injection pressure at the wellhead must not exceed 13,400 kPa.
- c) The form Notice of Commencement or Suspension of Operations (BC-11) must be submitted upon commencing disposal operations.
- d) A record of volume disposed of through this well must be included on a Monthly Injection/Disposal Statement, in the prescribed form (BC-S18), which must be submitted to the Oil and Gas Commission not later than the 25th day of the month following the reported month. Reporting of volumes shall be split 50/50 for the Paddy and Cadotte, unless subsequent information indicates a change in allocation.
- e) The non-hazardous waste disposal must be in accordance with the approval conditions of a Waste Discharge Permit, issued by the Ministry of Environment.
- f) The effective date of this approval is the date of issuance of the Waste Discharge Permit, granted under the *Environmental Management Act*.



Ken Paulson, P.Eng.
Chief Operating Officer
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 24 day of May 2012.