



March 9, 2012

4470-8400-32640-02

Lori O'Brien, P.Ag., EP
Land, Environment & Regulatory Affairs
CCS Corporation
500, 140-10th Avenue SE
Calgary, AB, T2G 0R1

Dear Ms. O'Brien:

**RE: INJECTIVITY TEST SPECIAL PROJECT
CCS GUNNELL d-71-C/94-P-05 (WA# 7557)
SLAVE POINT FORMATION**

Oil and Gas Commission staff have reviewed the application, dated February 22, 2012, requesting approval to conduct a water injectivity test into the Slave Point formation of the subject, abandoned with a certificate of restoration.

Attached please find Order 12-02-010, designating an area in the Gunnell Creek field – Slave Point formation a Special Project under section 75 of the *Oil and Gas Activities Act*, for the temporary operation and use of a storage reservoir for the disposal of produced salt water. The Commission understands that potential disposal at this location is intended to accommodate produced flow back water from Horn River gas wells and non-hazardous waste in the area.

Please note this is a temporary approval. Final disposal approval will not be issued until well results are reviewed by this office.

Should you have any questions, please contact Ron Stefik at (250) 419-4430 or Curtis Kitchen (250) 419-4443.

Sincerely,

A handwritten signature in black ink, appearing to read 'Paul Jeakins', written over a horizontal line.

Paul Jeakins
Commissioner & CEO
Oil and Gas Commission

Attachment

IN THE MATTER of the application from CCS Corporation to the Oil and Gas Commission (Commission) dated February 22, 2012 for the temporary operation and use of a storage reservoir.

ORDER 12-02-010

- 1 Under Section 75(1)(d) of the *Oil and Gas Activities Act*, the Commission designates the temporary operation and use of a storage reservoir for the disposal of salt water or recovered fluids from a well completion or workover in the Gunnell Creek area – Slave Point formation as a special project in the following area:

NTS 094-P-05 Block C - Unit 71.

- 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) Salt water shall be injected only into the Slave Point formation through the well CCS Gunnell d-71-C/94-P-5 (Well Permit # 7557).
 - b) The total volume of injected water must not exceed 500 m³.
 - c) The injection test should be designed with an attempt to establish the fracture gradient or maximum injection pressure for final disposal operations.



Paul Jeakins
Commissioner & CEO
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 9th day of March 2012.