



National Energy  
Board

Office national  
de l'énergie

File OA-1227-002  
WID# 1207

15 July 2011

Mr. Dana Roney  
Team Lead, Shale and Heritage Properties  
Canadian Forest Oil Ltd.  
Suite 2500, 645 - 7<sup>th</sup> Ave S.W.  
Calgary, Alberta T2P 4G8

Dear Mr. Roney:

**Operations Authorization (OA) and Approval to Alter Condition of a Well (ACW) for the Cdn Forest S. Pointed Mountain (D-1) L-68 Well**

Thank you for your submission of the Canadian Forest Oil Ltd. OA and ACW applications and subsequent filings. Please find attached approved OA and ACW authorizations for the proposed activity. Please note that the terms and conditions for the OA and ACW are provided in Attachment No. 1 and No. 2, respectively. Any change or deviation from the approved program will require the additional specific approval of the Chief Conservation Officer.

Please notify NEB no less than 24 hours prior to the commencement of the well operation.

Please be reminded that all oil and gas activities are to meet the requirements of the *Canada Oil and Gas Drilling and Production Regulations*, the *Oil and Gas Occupational Safety and Health Regulations* and *Canada Labour Code, Part II*.

If you have any questions, please contact Gary Woo at 403-299-3143 or Saadat Javeed at 403-221-3033.

Yours truly,

John McCarthy  
Chief Conservation Officer  
Attachments

444 Seventh Avenue SW  
Calgary, Alberta T2P 0X8

444, Septième Avenue S.-O.  
Calgary (Alberta) T2P 0X8

Canada

Telephone/Téléphone : 403-292-4800  
Facsimile/Télocopieur : 403-292-5503  
<http://www.neb-one.gc.ca>  
Telephone/Téléphone : 1-800-899-1265  
Facsimile/Télocopieur : 1-877-288-8803

**Attachment No. 1**  
**Canadian Forest Oil Ltd. (CFOL)**  
**Operations Authorization Terms and Conditions for**  
**OA-1227-002**

1. CFOL will provide an updated NEB contact list for this program prior to any work or activity. Please ensure the NEB incident cell number 403-807-9473 is listed as the number to call in the event of an incident.
2. Unless otherwise directed by the Chief Conservation Officer, CFOL shall implement or cause to be implemented all of the policies, practices, mitigative measures, recommendations and procedures included in or referred to in its application, subsequent filings and those committed to by CFOL in the preliminary screening process.
3. CFOL shall report any spills less than 100 litres as a “near-miss” by e-mail to [john.korec@neb-one.gc.ca](mailto:john.korec@neb-one.gc.ca)
4. CFOL will take every reasonable measure to ensure any saline water flow from the well is contained and does not flow off the site.
5. CFOL shall file within 30 days after the end of the well operation a summary report on the results of the air monitoring program.
6. If the standards of Northwest Territories Department of Environment and Natural Resources Guideline for Ambient Air Quality Standards or the Alberta Ambient Air Quality Objectives for H<sub>2</sub>S were exceeded, or should the maximum flow rate set out in the dispersion mode be exceeded, CFOL shall report the event as a significant pollution incident as per section 75 of the *Canada Oil and Gas Drilling and Production Regulations* and shall file a copy of the company investigation report no later than 21 days after the day on which the incident occurred. The report should include details of the exceedances and corrective actions taken to prevent those exceedances.

**Attachment No. 2**  
**Canadian Forest Oil Ltd. (CFOL)**  
**Approval to Alter Condition of a Well Terms and Conditions for**  
**Cdn Forest S. Pointed Mountain (D-1) L-68 Well, WID# 1207**

1. Daily reports are to be emailed to [dailyreports@neb-one.gc.ca](mailto:dailyreports@neb-one.gc.ca) or faxed daily by 8:30 am to the attention of the Chief Conservation Officer (fax number 403-292-5876). Please contact Lori Ann Sharp at 403-299-1994 should there be any difficulty in delivery of the daily drilling reports.
2. Unless otherwise directed by the Chief Conservation Officer, CFOL shall implement or cause to be implemented all of the policies, practices, mitigative measures, recommendations and procedures in or referred to its application, subsequent filings and those committed to by CFOL in the preliminary screening process.
3. A copy of the *Canada Oil and Gas Drilling and Production Regulations* as well as the *Oil and Gas Occupational Safety and Health Regulations* are to be kept at the well site and available on request by any person at the well site (section 17 of the *Canada Oil and Gas Drilling and Production Regulations* and paragraph 125(1)(e) of the *Canada Labour Code*, Part II, respectively).
4. CFOL shall inform the Board of any key personnel and field personnel updates to the contact list as they become available or are changed.
5. Prior to the commencement of the fracturing program, CFOL shall submit a copy of the final fracturing program provided by the fracturing service company. The program shall include equipment details, safe work procedures and a hazard assessment.
6. Prior to the commencement of the perforating and fracturing operations, CFOL shall provide confirmation of wellbore (casing and cementing) integrity including the submission of any cement bond evaluation logs, a summary of any cement squeeze operations, and/or the results of any pressure tests.
7. Well completion, suspension or abandonment operations are required to meet the requirements of the *Canada Oil and Gas Drilling and Production Regulations*. Upon program termination a “Well Termination Record” and a “Well Operations Report” are to be submitted within 30 days after the end of the well operation. Please submit two paper copies and one electronic (on CD/DVD in pdf format).



## NEB Contacts for COGO Act-regulated Work or Activities

### INCIDENT PHONE NUMBERS

\* Hazardous occurrences (under Part XVI of the *Canada Oil and Gas Occupational Safety and Health Regulations*) and incidents requiring medical evacuation are to be reported to the NEB immediately.

**NEB 24-hour Incident Cell: (403) 807-9473**  
NWT/Nunavut Spill Line Phone: (867) 920-8130  
NWT/Nunavut Spill Line Fax: (867) 873-6924  
Transportation Safety Board Hotline: (819) 997-7887

| NEB Operations Staff                                                                          | Internet                                                                                   | Telephone Numbers                            |
|-----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|----------------------------------------------|
| <b>Rick Turner</b><br>Operations Technical Specialist<br>Safety & Conservation Officer        | <a href="mailto:rick.turner@neb-one.gc.ca">rick.turner@neb-one.gc.ca</a>                   | Work: (403) 299-3868<br>Cell: (403) 540-3754 |
| <b>Lori Croal</b><br>Operations Inspector<br>Safety Officer                                   | <a href="mailto:lori.croal@neb-one.gc.ca">lori.croal@neb-one.gc.ca</a>                     | Work: (403) 221-3290<br>Cell: (403) 519-9889 |
| <b>Karen Duckworth</b><br>Operations Specialist<br>Safety & Conservation Officer              | <a href="mailto:karen.duckworth@neb-one.gc.ca">karen.duckworth@neb-one.gc.ca</a>           | Work: (403) 299-3669<br>Cell: (403) 710-8254 |
| <b>Gary Woo</b><br>Program Manager<br>Conservation of Resources                               | <a href="mailto:gary.woo@neb-one.gc.ca">gary.woo@neb-one.gc.ca</a>                         | Work: (403) 299-3143<br>Cell: (403) 629-6148 |
| <b>Abul Kabir</b><br>Drilling Engineer                                                        | <a href="mailto:abul.kabir@neb-one.gc.ca">abul.kabir@neb-one.gc.ca</a>                     | Work: (403) 292-5048<br>Cell: (403) 510-5754 |
| <b>Saadat Javeed</b><br>Drilling Engineer                                                     | <a href="mailto:saadat.javeed@neb-one.gc.ca">saadat.javeed@neb-one.gc.ca</a>               | Work: (403) 221-3033<br>Cell: (403) 681-5861 |
| Environment and Spill Reporting                                                               | Internet                                                                                   | Telephone Numbers                            |
| <b>John Korec</b><br>Environmental Specialist<br>Conservation Officer                         | <a href="mailto:john.korec@neb-one.gc.ca">john.korec@neb-one.gc.ca</a>                     | Work: (403) 292-6614<br>Cell: (403) 818-2403 |
| <b>Susan Measor</b><br>Environmental Specialist<br>A/Team Leader<br>Conservation of Resources | <a href="mailto:susan.measor@neb-one.gc.ca">susan.measor@neb-one.gc.ca</a>                 | Work: (403) 221-3272                         |
| <b>Christy Wickenheiser</b><br>Environmental Specialist                                       | <a href="mailto:christy.wickenheiser@neb-one.gc.ca">christy.wickenheiser@neb-one.gc.ca</a> | Work: (403) 299-3869<br>Cell: (403) 809-9352 |
| Chief Conservation & Safety Officers                                                          | Internet                                                                                   | Telephone Numbers                            |
| <b>John McCarthy</b><br>Business Leader, Strategy and Analysis<br>Chief Conservation Officer  | <a href="mailto:john.mccarthy@neb-one.gc.ca">john.mccarthy@neb-one.gc.ca</a>               | Work: (403) 299-3646<br>Cell: (403) 560-9443 |



|                                                                               |                                                                                                       |                                                                              |                                              |
|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|----------------------------------------------|
| <b>Brian Nesbitt</b><br>Technical Leader, Engineering<br>Chief Safety Officer |                                                                                                       | <a href="mailto:brian.nesbitt@neb-one.gc.ca">brian.nesbitt@neb-one.gc.ca</a> | Work: (403) 299-2771<br>Cell: (403) 629-6362 |
| <b>NEB</b><br><b>OPERATIONS PHONE NUMBERS</b>                                 | Main Office: (403) 292-4800<br><b>Operations Fax: (403) 292-5876</b><br>Alternate Fax: (403) 292-5875 |                                                                              |                                              |



National Energy  
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## OPERATIONS AUTHORIZATION

### APPLICATION

CANADIAN FOREST OIL LTD.

(Name of Operator)

Hereby applies for authorization of a proposed:

☐ Drilling Program ☐ Production Program ☐ Installation/Removal Program

☒ Other

Please Specify: Re-entry completion

under paragraph 5(1)(b) of the *Canada Oil and Gas Operations Act (R.S.C., 1985, c. O-7)* and Part 2 of the *Canada Oil and Gas Drilling and Production Regulations (SOR/2009-0315)* using equipment and procedures described in the application.

Changes in equipment or procedures, outside the scope of this application, require the approval of the Board in order that this authorization remains valid. An approved copy of this notice is to be posted at each work site and is subject to the terms and conditions attached to this authorization.

Licence No. Other Lease # 838-70 NEB Operating Licence No. 1227

Region NWT Mainland

Field Pointed Mountain

Anticipated date of commencement June 25, 2011 Proposed Duration 4 months

Scope of Work Re-enter the abandoned wellbore, frac and test the Muskwa and the Exshaw intervals of the Lower Besa River Group to evaluate the well.

"I certify that the information provided on this form is true and correct"

Name David Anderson, P.Eng Telephone (403) 292-8123 Ext  
Job Designation President E-Mail dmanderson@forestoil.ca

Signature David Anderson Date May 3, 2011  
Responsible Officer of Company

### NATIONAL ENERGY BOARD AUTHORIZATION (Board Use Only)

The operator named above is hereby authorized under paragraph 5(1)(b) of the *Canada Oil and Gas Operations Act (R.S.C., 1985, c. O-7)* and is subject to the terms and conditions attached to this authorization.

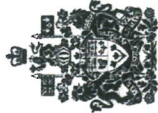
Chief Conservation Officer

Job Designation

Signature J. M. M. M. Date 15 July 11  
NEB Authority

Operation Authorization (OA) No. OA-1227-002 Expiry Date 30-Nov-2011





APPROVAL TO ALTER CONDITION OF A WELL

APPLICATION

This application is submitted under Section 10 of the *Canada Oil and Gas Drilling and Production Regulations* (SOR/2009-0315). When granted under Section 13 of the Regulations, this form is the requisite approval for the commencement of well operations. An approved copy of this notice is to be posted at each drill site.

Well Name

CDN FOREST S. POINTED MOUNTAIN (D-1) L-68

Well Identifier

1207

Operations Authorization No.

GA-1227-002

Operator

Canadian Forest Oil Ltd.

Current Depth

4200m KB

NEB Operating Licence No.

1227

Licence No.

Other

Lease # 838-70

Contractor

Trinidad Well Servicing

Drilling Rig or Unit

Service Rig #2

Station Keeping

Not Applicable

Land Structure

Conventional Land

Current Well Status

Abandoned

Anticipated Well Status Change

Suspended

Land Use Permit No.

MV2009A0051

Issued by:

Mackenzie Valley Land and Water Board

Water Licence No.

MV2010L1-0004

Issued by:

Mackenzie Valley Land and Water Board

Location

Unit

L

Section

68

Grid

60-20-123-45

Coordinates (NAD 27)

Surface

Lat

60 ° 17 ' 42.8 "

Long

123 ° 57 ' 55.9 "

Bottom Hole

Lat

60 ° 17 ' 54.6 "

Long

123 ° 58 ' 10.5 "

Ground Level / Seafloor

723 m

Elevation KB/RT

737 m

Approximate Date of Commencement

25-Jun-11

Est. Days on Location

120 days

WELL OPERATION PROGRAM

| Activity Type | Top to Bottom Interval (m KB) | Comments                                    |
|---------------|-------------------------------|---------------------------------------------|
| Re-entry      | 3351-3953                     | Lower Besa River Grp test - Muskwa / Exshaw |
| Select        | -                             |                                             |
| Select        | -                             |                                             |
| Select        | -                             |                                             |
| Select        | -                             |                                             |

Additional Information

"I certify that the information provided on this form is true and correct"

Name

David Anderson

Telephone

(403) 292-8123 Ext

Job Designation

President

E-Mail

dmanderson@forestoil.ca

Operator

Canadian Forest Oil Ltd

Signature

David Anderson

Responsible Officer of Company

Date

May 3, 2011

NATIONAL ENERGY BOARD APPROVAL  
(Board Use Only)

This well approval is granted under section 13 of the *Canada Oil and Gas Drilling and Production Regulations* (SOR/2009-0315) and is subject to the terms and conditions attached to this approval and Operations Authorization No. GA-1227-002.

Job Designation

Chief Conservation Officer

Well Identifier

1207

Unique Well Identifier

3004686020123451

Signature

Jmclty

NEB Authority

Date

15 July 11