

January 15, 2018

7600-2900-59240-09

Mr. Ron McKellar
President
Procyon Energy Corporation
Suite 400, 505 – 8th Avenue S.W.
Calgary, AB T2P 1G2

Dear Mr. McKellar:

**RE: PRESSURE MAINTENANCE WATERFLOOD SPECIAL PROJECT – TERMINATION
RESERVOIR PRESSURE TEST REQUIREMENT
RIGEL FIELD – DUNLEVY “A” POOL**

In a Commission review of pressure maintenance waterflood projects, it came to our attention that production from the subject pool ceased in November 2014; however, water injection continued until February 2017.

A pressure maintenance waterflood project was approved for the Rigel field Dunlevy “A” pool in November 2011 (Order # 11-09-001) consisting of one producer, Procyon Rigel 6-23-87-17 (WA1942), and one injector, Procyon Rigel 8-22-87-17 (WA # 6615). Water was to be injected in the Dunlevy sand by means of cross-flow from the Halfway formation. The last reported injection was February 2017.

The last reservoir pressure test the Commission has on record for this pool was performed in October 2011. Continuous injection after production terminated has resulting in a current pool pressure of unknown but potentially highly elevated value, a potential safety and environmental concern.

Procyon Energy Corporation is hereby required to **conduct a reservoir pressure test**, as per section 73 (2) of the Drilling and Production Regulation, on the well Procyon Rigel 8-22-87-17 (WA # 6615), **by February 16, 2018**. This well was the last active injection well.

Due to the suspension of production and injection, OGAA Section 75 Order 63-09-001, pressure maintenance waterflood project for the Rigel field Dunlevy ‘A’ pool, **will be terminated as of February 1, 2018**, unless this office is contacted prior to that date with valid reason why this should not occur.

If Procyon Energy intends to inject fluid from external sources without simultaneous production, a disposal well application and approval is required from the Commission.

Should you have any questions, please contact Petra Kriescher-Trudgeon at (250) 419-4415 or the undersigned at (250) 419-4430.

Sincerely,



Ron Stefik, EngL
Supervisor, Reservoir Engineering
Oil and Gas Commission