



Pipestone Energy Corp.
 #1800, 421 – 7th Avenue SW
 Calgary, AB T2P 4K9
 EMERGENCY CONTACT NUMBER:
 1-844-800-5236
 PHONE: 403-261-2747
 FAX: 403-263-2591

Attention: Residents

Date: June 17, 2019

Re: **NOTIFICATION OF GAS WELL CLEAN UP AND TEST FLARING**

PURSUANT TO ALBERTA ENERGY REGULATOR DIRECTIVE 60 REQUIREMENTS

Licensee: Pipestone Energy Corp.

Well(s) and AER License(s):

PIPESTONE 104 HZ ELM 5-11-71-8 04/05-11-071-08W6/0	W0490705
PIPESTONE 100 HZ ELM 12-11-71-8 00/12-11-071-08W6/0	W0490695
PIPESTONE 100 HZ ELM 13-2-71-8 00/13-02-071-08W6/0	W0490696
PIPESTONE 103 HZ ELM 4-11-71-8 03/04-11-071-08W6/0	W0490700
PIPESTONE 103 HZ ELM 5-11-71-8 03/05-11-071-08W6/0	W0490704
PIPESTONE 102 HZ ELM 4-11-71-8 02/04-11-071-08W6/0	W0490699
PIPESTONE 102 HZ ELM 13-2-71-8 02/13-02-071-08W6/0	W0490697

Surface Location: SW ¼ (LSD 3) 1-71-8-W6M

AER Temporary Flaring/Incineration Permit: 19GP012 – FLARING AT WELL PAD 03-01-071-08W6

Pursuant to the Alberta Energy Regulator (AER) Directive 60: Upstream Petroleum Industry Flaring, Incinerating and Venting (March 2018), Pipestone Energy Corp. hereby gives notice of sour gas well clean-up and test flaring at the above surface location as shown on the attached Residential Notification Map. All residences within three kilometers of the wellsite are to be given this notification.

The well test flaring is required to determine production potential and to assist in meeting design specifications to tie-in facilities. Operations will adhere to all AER Guidelines and Regulations and the proposed activities will utilize Pipestone’s corporate Emergency Response Plan.

The well(s) are completed in the Montney formation. This location is a padsite consisting of Nine (9) wells of which 2 have already been drilled, Fracked and Tested. The remaining Seven (7) wells which are listed above, were drilled this past year and will be tested. **Testing operations will approximately commence on July 3rd and is estimated to be completed in approximately 4 weeks (As per Directive 60, there is a 30-day window to accommodate for weather and operational delays. Re-notification is mandatory after 90 days). The Permit expires on August 31, 2019.**

Each of the 7 wells will be flared for clean-up and flared for test. Based on our analysis of wells in the Elmworth/Pipestone/Goldcreek area that have been completed in the Montney formation, interim elevated levels of H₂S have occurred prior to normalization. The AER has approved a flare permit that will allow for up to a maximum of 10% H₂S content, however Pipestone anticipates H₂S levels to be in the 3% range, similar to other wells tested by the company. The each well flow rate can be reduced based on the H₂S amount being produced.

A summary of Operations:

Estimated Start Date of Operation:	Thursday June 20, 2019 (Milling of Plugs)
Estimated Flare Date:	Wednesday July 3, 2019
Estimated Total Flare Time:	Each of the 7 wells has a 48hr test flar
Estimated Total Length of Operation:	Thursday August 1, 2019 (demobilization)
Expected Flow Rate:	Max of 250 10 ³ m ³ /d
Total Gas Volume:	600 10 ³ m ³ / per well

All gas will be flared up a flare stack. Flare volumes are required to meet AER test requirements.

PIPESTONE’S 24 HOUR EMERGENCY CONTACT NUMBER: 1-844-800-5236

Should there be any questions or concerns, one of the following representatives can be contacted:

Position	Name	Phone
Landman	John Boone	Office: (403) 206-0967 Mobile: (403) 651-1372
Area Supervisor	Carey Wallan	Mobile: (780) 814-1012 Office: (587) 495-7516
VP Operations & Production	Darcy Erickson	Office: (403) 206-0975 Mobile: (403) 804-4022
Completions Superintendent	Dave Russell	Office: (403) 262-8595 Mobile: (403) 529-7510
Completions Wellsite (field) Supervisor	Troy Martinson	Mobile: (780) 916-6298
Pipestone Calgary Office		Main (403) 261-2747
AER Field Office	Grande Prairie, AB	780-538-5138

Sincerely,

PIPESTONE ENERGY CORP.

John A. D. Boone

John A. D. Boone, Landman