

ACTION PLAN FOR ERCB DECISION 2012-005

KALLISTO ENERGY CORPORATION APPLICATION FOR A WELL LICENCE, CROSSFIELD EAST

ACTION ITEM	REQUIRED ACTION/COMMENTS	DECISION: 2012-005	ERCB PROCESS TO ENSURE FOLLOW-UP	STATUS & EVIDENCE
1 Stabilized Pressure Data	The panel finds that it is reasonable for Kallisto to obtain and immediately submit stabilized initial pressure data to the ERCB and to CrossAlta, subject to confidentiality considerations, to confirm that the BQ and/or Glauconitic zones are not within the pressure regime of the Elkton gas storage reservoir. This information sharing is intended to establish whether or not the BQ and/or the Glauconitic zones are encountered at virgin or depleted reservoir pressures for the area.	Section: Paragraph 80 P. 13	Kallisto will inform Facilities Applications of the pressure testing technique that will be conducted. Kallisto will provide the ERCB with a written report once the pressure testing is complete. The ERCB will review the pressures for compliance and evaluate whether the target formation may be in communication with the storage reservoir.	Completed - May 15, 2012 ERCB reviewed the initial pressure data and found that it indicates the well is not within the pressure regime of the storage reservoir.
2 Fracturing Size Limit	The panel finds it reasonable to limit the size of a fracture stimulation in the well to 40 tonnes or less.	Section: Paragraph 82 P. 13	Kallisto will provide 24 hours notice to the Midnapore field centre before fracturing operations are to begin. Once fracturing is complete, Kallisto will provide Facilities Applications with the fracturing report.	Completed - February 8, 2013
3 Post Fracture Stabilized Pressure	The panel also finds it reasonable for Kallisto to obtain and immediately submit stabilized pre- and post-frac pressure data to the ERCB and CrossAlta.	Section: Paragraph 82 P. 13	Kallisto will provide the ERCB and CrossAlta with a written report once the pressure testing is complete. The ERCB will review the pressures for compliance and evaluate whether the target formation may be in communication with the storage reservoir.	Completed - February 8, 2013 ERCB letter confirms that Kallisto has complied with all the conditions.

The conditions imposed in approvals/licence(s) are monitored by the Alberta Energy Resources Conservation Board (ERCB). The ERCB has developed a process whereby an action plan is developed internally to ensure that ERCB staff monitor conditions arising from decision reports for compliance. The conditions are managed in an action plan that is updated quarterly with statuses of conditions. The action plan defines the action required, timeframes for completion, and a summary of the evidence provided to confirm a condition was met. For more information, please contact the Action Plan Administrator at (403) 297-4289.