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June 22, 2012

Shawn & Ronalie Campbell R.R. #4 Ponoka, AB T4J 1R4

Dear Mr. and Mrs. Campbell:

Re: Energy Resources Conservation Board Investigation Campbell Water Well at SE 18-043-27 W4M (GIC #0078001)

The Energy Resources Conservation Board (ERCB/Board) acknowledges receipt of your letter dated June 17, 2012 in which you posed several questions regarding the above matter. Many of these questions focus on the Baseline Water Resource Inc. (BWRI) report dated June 1, 2012, which outlined the results of the March 29, 2012 testing of your water well at SE-18-043-27W4 (GIC#0078001).

As we explained in our June 5, 2012 letter enclosing the BWRI Report, the BWRI test results and findings from their March 29, 2012 water and gas sampling do not differ substantially from previous test results. The ERCB has therefore concluded, after expending considerable time and resources in its investigation of your water well, that there is no evidence of a link between energy development activities and the hydrocarbon or hydrogen sulphide (H₂S) gases present in your water well. Based on this conclusion, as well as the fact that ERCB staff did not prepare the report, we respectfully suggest you contact a duly qualified professional(s) who can answer any technical questions you have regarding the content of the BWRI Report as well as questions regarding your water well.

Both ERCB and BWRI staff were surprised and disappointed to learn from your letter that you had shock chlorinated your water well two days prior to the testing. Shock chlorination typically involves introducing a chlorine-based solution into the well. Both ERCB and BWRI staff were unaware that you had conducted this activity such a short time prior to the testing on March 29, 2012. We understand that BWRI analyzed and interpreted the analytical results of its testing based on representations by you that the water well had not been in use, which was interpreted to mean that it had not been pumped, nor had any foreign material been introduced into it. This new information may impact the interpretation of the test results, however given that the BWRI test results and findings from their March 29, 2012 water and gas sampling do not differ substantially from previous test results, the ERCB will not be undertaking a re-interpretation of the results.

It is imperative that you are open and upfront about your use of the water well so that data interpretation can be based on the correct assumptions and facts. The ERCB has also been made aware from BWRI staff that you collected a dissolved gas sample during the testing on March 29, 2012. We would appreciate you providing the analytical results of the sample so that we can maintain a complete dataset.

As previously committed in our letter dated December 3, 2010, with your written permission, the ERCB proposes to test your water well again in 2013. After reviewing the results of that testing, the ERCB will consider the need for continued testing. We will contact you in early 2013 to make arrangements. If we come to an agreement whereby the ERCB will test your water well in 2013, it will be very important that you do not alter your use of that water well prior to the test, and that you clearly disclose all recent treatments, modifications, and use (or non-use) of that well to the contractor who completes the work.

Yours truly,

Stephen Maunder

Manager, Regulatory Outcomes and Delivery Group

cc: Michael Bevan, ERCB

Breeann Barry, Alberta Environment and Sustainable Resource Development Karina Thomas, Alberta Health and Wellness

Shawn & Ronalie Campbell RR4 Ponoka AB T4J 1R4 email: wagontr@platinum.ca

ERCB Suite 1000, 250 – 5 Street SW Calgary AB T2P 0R4

By email: michael.bevan@ercb.ca

By Fax: 403-297-3366

January 28th, 2013

Dear Mr. Bevan

Re: ERCB Investigation and 2013 Water Testing Campbell Water Well #78001 on SE 18-043-27W4M

On June 22, 2012 we received a letter from Stephen Maunder, Manager of Regulatory Outcomes, (letter attached) stating that someone from the ERCB would contact us in early 2013 to test our water well in accordance with the ongoing investigation. Since we have not been contacted by him, we would like to know if this is being planned.

The presence of Alberta Environment members in 2012 made no difference in regards to our protection or the public's safety, so we are asking that you please read their 2008 instructions for proper well maintenance (attached) and advise if we are to **ignore** that, as suggested in the June 22nd correspondence. We are conscientious landowners who know that proper well maintenance is important both for our safety and to get a true test of the potential quality of the water.

In reply to your accusations that we withheld information, we would like to draw to your attention that it was not us, but your testing company, that was required to gather this information and report it to the ERCB according to Alberta Environment's instructions in the Gas Sampling Requirements for Baseline Water Well Testing for Coal Bed Methane, written June 2006 (the level of testing which you insisted be used). Did you expect us to oversee their investigation? We have always been upfront, honest and courteous with the many people who have come to test our water. We were hoping for the same.

Sincerely,

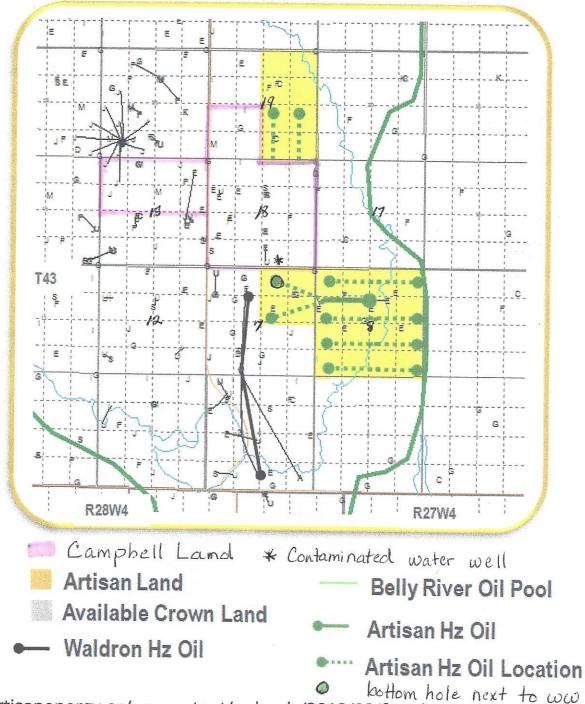
Ronalie Campbell

Shawn Campbell

Cc: Breeann Barry, Alberta Environment and Water by email

Cc: Stephen Maunder, ERCB by email

Cc: Karina Thomas, Alberta Health and Wellness by email



(http://www.artisanenergy.ca/wp-content/uploads/2013/03/ferrybank-overview.png)Ferrybank

Artisan's lands in the Ferrybank area were originally developed with 8 vertical oil wells completed in the Belly River sand. In this area the Belly River sand at approximately 950m depth produces a 33° API oil with a very low gas oil ratio of less than 1,000 scf/bbl. Historically vertical wells had initial productivity of 10 to 50 bopd and produced 6,500 to 80,600 bbls. With lower permeability and oil recoveries, development with horizontal multi-frac wells was an obvious opportunity.