

- There might be some issues in the future in injection, channeling or out of zone migration, etc. due to the faulting at 15-9-25W1, does Enerplus has contingency plans for these to mitigate the possible problems in the future especially an injector will be put in place at this section?

*Nearest “revised” injector conversions are predicted to be located at 14-15-009-25W1 and at 102/04-22-009-25W1. See attached map of the revised phases of injector conversions.*

*Section 9 is downstructure to the main Scallion oil reservoir as illustrated on the Scallion Net Pay map; injected water is expected to sweep oil updip*

*It has been noted that there is a significant low at 10-15-009-25W1 between East Routledge and Routledge Units thereby confirming late fault movement/ as this is a structurally low area it should not impact the waterflood scheme at the Routledge Unit. This “structural low” has not obviously impacted the success of the waterflood/ pressure maintenance at East Routledge Unit directly to the southeast.*

- The Pilot Project at 22-9-25WPM was beneficial for 19 years before it was discontinued in 1994, what made Enerplus decided to stopped it? For 19 years it was operational and increasing the production, what stopped Enerplus not to expand the Pilot in the unit?

*Chevron, who was the operator of Routledge Unit #1 in 1994 discontinued the pilot project for reasons unknown to Enerplus. Enerplus subsequently purchased the property in 2003/2004. The positive results of the pilot is one of the reasons Enerplus is optimistic about beginning waterflooding in the Unit on a large scale.*

Enerplus used a fixed production of 24 bbl/day as the economic limit in the application. A dynamic project like this needs to adjust to ever changing economy, depleting world oil supply, the oil prices and production cost will most probably look bleak, how can this project sustain its profitability in view of the above?

*The economic cut off was based upon fixed operating costs of wells and the Unit battery to determine when production would be shut-in (negative net operating income). This is just a forecast based on where operating costs are trending. Price of course would be a factor down the road. The 24 bbl/d cut off you’re seeing is for the entire Unit and not a well level. You will see that we have wells currently producing at < 3 bbl/d of oil. You will also notice that the Waterflood upside forecast ends in 2053 which coincides with the NI 51-101 standard limiting a reserve life to 50 years.*

- There two or more units used as a basis for the response of Routledge Unit 1, i.e. adjacent Lodgepole pools and the Pilot Project, what made Enerplus to used more units as a basis or reference than sticking only to one particular unit?

*Further study of offsetting waterflood/ disposal schemes have demonstrated the success with waterflood in the Lodgepole formation in the Routledge area. Significant improvement in decline rates and improvement in oil rates were seen.*

*The waterflood scheme initiated in 1972 at East Routledge Unit #1 was reviewed and was noted to be a good analog and a successful waterflood. The Lodgepole oil is at a similar depth and oil gravity in both pools (East Routledge & Routledge) range from 33 to 36 degree API.*

*Section 29-009-25W1 and Section 33-009-25W1 Disposal schemes were also reviewed and shown to be successful. Enerplus anticipates similar results as these are in the same formations with the same oil.*

*Enerplus feels that highlighting success in multiple analogous pools strengthens our argument that waterflooding should be initiated in Routledge Unit #1.*

- ARC Resources (WI owner) approved the mail ballot on June 14, 2012 wherein the deadline of submission was June 13, 2012. A day had already elapsed. Is this still valid?

*The Unit Operating Agreement states that any working interest owner not having responded to a Mail Ballot prior to the due date will be deemed affirmative. You are correct that ARC voted a day late, but they had been deemed affirmative anyways.*

- The working interest owners approved mail ballots are not complete, please send the remainders.

*Mail Ballots in Routledge Unit #1 requires affirmative vote by at least 2 Working Interest Owners totaling a minimum of 75% of participating interests. Failure to vote by the due date is considered an affirmative vote.*

*The Mail Ballot was approved with a 97.98% affirmative vote with the remaining 2.02% being deemed affirmative as no response was received by Adanac and Zola.*

*Unanimous approval is not required, but in this case that is what was given by the Working Interest Owners.*