

TRIANGLE
PETROLEUM CORPORATION

1660 Wynkoop St., Suite 900
Denver, CO 80202

October 20, 2010

Nova Scotia Environment
30 Damascus Road, Suite 115
Bedford, Nova Scotia
Canada B4A 0C1
Attention: Derek DeGrass

Re: Approvals 2008-064245-R01 and 2008-064246-R01 and related Directives

Dear Mr. DeGrass:

This letter is in furtherance to our meeting held in your office on October 6, 2011 and in response to your letters dated October 4, 2011 and October 18, 2011. Pursuant to Section 11(a) of the Approvals, this letter shall set forth our proposal for your approval of our final disposal and reclamation plan. We seek to meet the requirements of the Approvals but ask for your help and understanding given the facts that we face. Before we lay out the disposal and reclamation plan, we would like to strongly reiterate our belief, which was set forth in our correspondence dated August 18, 2011, that re-injection of the brine water back into the formation from which it came is the safest and most efficient way in which to drain and dispose of the brine water and would be the most beneficial for all parties concerned. This method is considered best practice in much of the world including the Provinces of Alberta and British Columbia and the United States of America. Therefore, we once again would like to formally request an extension to the expiration of the Approvals to a point in time in which the committee reaches its final determination on produced water re-injection. However, given that you have already orally and in writing denied this reasonable request, we have only one other viable alternative.

Approval 2008-064245-R01

We seek your immediate approval pursuant to Section 11(a) of Approval 2008-064245-R01 for the Kennetcook-1 site to work with Atlantic Industrial Services ("AIS") to drain the brine water and reclaim the site before freezing conditions set in this winter. We have been advised by AIS that it will take between eight to ten weeks to drain the approximately seven million liters of brine at the Kennetcook-1 site. To accomplish this time frame, AIS would use five trucks per day, which could remove approximately 875,000 liters a week. Additional time will be required for road repair and possible snow removal, if required. AIS, with your approval, plans to dispose of the brine at their Debert and Ackerley facilities. Upon your approval, the

remaining sludge would be safely trucked out to an appropriate disposal site by AIS. The full reclamation of the wellsite will then be undertaken under the supervision of Dillon Consulting as described in our earlier correspondence as of August 18, 2011.

We will send you our water chemical analysis from April 26, 2011 and earlier analysis by separate correspondence from Dillon Consulting. We began sampling both Kennetcook sites on October 18, 2011 and we will forward the results of the chemical analysis as soon as it is available. We acknowledge that pursuant to Section 7(c) of Approval 2008-064245-R01 we are required to install a water level data logger to accurately measure and log water levels in the pond. However, given the fact that the water is currently approximately four meters below the highest brine mark on the liner and upon your approval we plan to drain the pond as soon as reasonably possible, we submit that the installation of the logger would be useless and ask your approval to waive the requirement in Section 7(c). *(request for variance.)*

We seek your approval for this disposal and reclamation as soon as possible so that we can meet the timeline we have set out. Although we are seeking approval of this plan in accordance with the Approval, we would once again like to reiterate our objection to this plan and that we are merely agreeing to perform these actions at the request of your department and to meet the requirements of the Approval and Directives. In our view, this plan is not best practice and it creates greater danger to the environment and the citizens of the Province of Nova Scotia than re-injection. The danger created by such a large movement of trucks, in our view, is much greater than re-injection of the brine. We consider safety an extremely important part of our business and would like to point out that we do not consider this to be the safest manner of disposal. Trucking creates significant potential liability for our company and a greater danger to the community.

Approval 2008-064246-R01

As discussed at our meeting on October 6, 2011, it is not feasible to empty both brine ponds before the winter freeze so we are focusing on draining one pond. Therefore, we seek an extension of Approval 2008-064246-R01 until such time as the pond at the Kennetcook-2 site thaws and the roads are safe enough to allow large truck movement. Given the nature of the Province of Nova Scotia winter, it is not possible at this time to estimate such date. However, upon such date, as determined by your department, we would seek approval of a final disposal and reclamation plan as set forth above for Approval 2008-064245-R01. If such an extension is not granted, we seek your department's assurance that no action will be taken under the Environmental Act as long as we use our reasonable best efforts to drain the pond as soon as reasonably possible. We plan on cooperating with your department to ensure that the site is remediated as soon as possible. However, once again, we would like to reiterate that the importance of the results of a re-injection test is imperative to our business and the industry as a whole. There can be no unconventional gas development of scale unless there is re-injection of produced brines, and you will lose all momentum for any appraisal and development of the large onshore gas resources of the Province of Nova Scotia. Therefore, we respectfully request that you consider extending our Approval until the results of the hydraulic fracturing review. This extension would not only benefit our business and the industry but it would also potentially

benefit the government and citizens of the Province of Nova Scotia through greater jobs and an enhanced economy.


We also acknowledge that pursuant to Section 7(c) of Approval 2008-064246-R01 we are required to install a water level data logger to accurately measure and log water levels in the pond. However, given the fact that the water is currently several meters below the highest brine mark on the liner, we submit that the installation of the logger would be useless and ask your approval to waive the requirement in Section 7(c) upon the condition that we report the level to your department on a monthly basis. We have the ponds monitored weekly and Dillon Consulting will send that information to you.

Please let us know your thoughts on our proposals as soon as possible so that we may begin working on completing our plans. We would like to express our commitment to meeting all of our obligations on an expedited basis and ask for your help and cooperation as we move forward. We plan to work closely with your department and the Department of Energy on these matters and ask for any suggestions as we complete the reclamations.

Please call me at (303-260-7125) if you have any questions regarding the foregoing.

Sincerely,

TRIANGLE PETROLEUM CORPORATION

By: 

Name: Peter Hill

Title: Chief Executive Officer