

October 3, 2019

0400-4800-32640-60

Mr. Shawn Jesse, P.Ag.
Manager, Health, Environment & Regulatory Compliance
Pengrowth Energy Corporation
1600, 222 – 3rd Avenue SW
Calgary, AB T2P 0B4

Dear Mr. Jesse:

**RE: OBSERVATION WELL STATUS APPROVAL
PENGROWTH ET AL BEATTON b-59-J/94-H-2 (WA# 1038)
BEATTON RIVER – HALFWAY “A”**

The Drilling and Production Regulation Part 1 defines an observation well as “a well or a portion of a well designated as an observation well under section 2 (7)”.

- 2 (7) An official may designate a well as an observation well if
- (a) the well is being used to monitor reservoir pressures or to obtain other formation information, and
 - (b) the well is not used to produce from, or inject or dispose of fluids into, a formation being monitored.

The subject well was drilled in 1962 and the Halfway formation was completed for the purpose of oil production. The well last reported production in October 2010. A pressure maintenance water flood project was approved for the Beatton River field Halfway “A” pool in 1963. Continuous injection after production terminated resulted in a current pool pressure of approximately 11.8 MPa; higher than the initial pressure of the pool. In a letter dated August 14th, 2019, Pengrowth Energy Corporation proposed to use the subject well to perform annual pressure surveys for the next two years to monitor the reservoir pressure in the pool and confirm containment of fluid.

Approval of observation status is granted for Pengrowth et al Beatton b-59-J/94-H-2 (WA# 1038), for the Halfway “A” pool, with the following requirements;

- conduct a reservoir pressure test on an annual basis.

Should you have any questions, please contact Kathryn Archibald at (250) 419-4406 or the undersigned at (250) 419-4430.

Please be reminded that all reservoir pressure tests conducted must be submitted to the Commission within sixty days of the date on which the pressure was measured.

Sincerely,



Ron Stefik, Eng. L.
Supervisor, Reservoir Engineering
Oil and Gas Commission