

October 31, 2019

0320-2700-32640-60

Hugo Martinez, P. Eng.
Senior Reservoir Engineer
Pacific Canbriam Energy Ltd.
2100, 215 2nd Street
Calgary, Ablerta, T2P 1M4

Dear Mr. Martinez,

**RE: OBSERVATION WELL STATUS APPROVAL
PACIFIC CANBRIAM ALTARES a-43-A/94-B-8 (WA 20413)
ALTARES – GETHING ‘A’ POOL**

BC Oil and Gas Commission (Commission) staff have reviewed the October 30th, 2019, application from Pacific Canbriam Energy Ltd. seeking observation well designation for Pacific Canbriam Altares a-43-A/94-B-8 (WA 20413) in the Altares field, Gething ‘A’ pool

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 2006 and the Gething formation was completed for the purpose of observation in 2010. Observation well designation was granted for the subject well on April 12, 2017 with the requirement to conduct a reservoir pressure test on an annual basis. The observation well designation was withdrawn in January 2019 because the pressure testing requirement had not been met.

Pacific Canbriam Energy Ltd. is requesting observation well designation for the subject well to monitor reservoir pressures in the Gething ‘A’ formation “without having to shut-in the existing production.” Commission records indicate the Gething ‘A’ pool has had two shut-in periods within the last 12 months. The Altares field, Gething ‘A’ pool is subject to the annual pressure testing requirements under Section 73(2) of the Drilling and Production Regulation; however, no reservoir pressure tests have been submitted since November 2016.

Approval of observation status is granted for Pacific Canbriam Atlares a-43-A/94-B-8 (WA 20413), for the Gething ‘A’ pool with the following requirements:

- conduct a reservoir pressure test, using downhole recorders, prior to December 31, 2019;
- conduct two reservoir pressure tests, using downhole recorders, in 2020;
- conduct annual reservoir pressure testing, using downhole recorders for all subsequent years; and
- conduct an annual surface casing vent flow test and submit the results to the Commission.

Failure to meet the conditions stated above will result in the withdrawal of the observation well designation.

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

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

Sincerely,



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