

August 28, 2017

0210-2600-32640-60

Lawrence Ndoh, P. Eng
Facilities Engineer
Fortis BC Midstream Inc.
Aitken Creek Gas Storage
11304 – 100th Avenue
Ft St John, British Columbia V1J 1Z9

Dear Mr. Ndoh,

**RE: OBSERVATION WELL DESIGNATION APPROVAL
AITKEN GAS ET AL N AITKEN a-39-D/94-H-4 (WA 5440)
AITKEN CREEK NORTH – BLUESKY 'A'**

The BC Oil and Gas Commission (Commission) is presently reviewing observation wells, to confirm the suitability of this status and amend or rescind approvals, to conform to current requirements. Staff have reviewed the observation well in the Aitken Creek North field, Bluesky 'A' pool; Aitken Gas et al N Aitken a-39-D/94-H-4 (WA 5440).

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 1980 and the Baldonnell formation was completed but did not produce. The well was abandoned in 1988. The well was re-entered in 1993 the well and the Bluesky 'A' formation was completed, but did not produce. In 1999 the Aitken Creek North field, Bluesky 'A' pool was approved for underground natural gas storage. The status of the Bluesky completion event in the subject well was changed to observation in February 2011.

Approval of observation status is granted for Aitken Gas et al N Aitken a-39-D/94-H-4, for the Bluesky formation, with the following requirements:

- conduct a reservoir pressure test annually.

Any additional reservoir pressure tests conducted must also be submitted to the Commission as per sections 73(3) and 73(4) of the Drilling and Production Regulation.

Should you have any questions, please contact Kathryn Archibald at (250) 419-4457 or the undersigned at (250) 419-4430.

Sincerely,



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