



May 31, 2018

7600-1500-32640-60

Michael Reinhart, P.Eng.
Production Engineer
Pengrowth Energy Corporation
1600, 222 – 3rd Avenue SW
Calgary, Alberta T2P 0B4

Dear Mr. Reinhart:

**RE: OBSERVATION WELL STATUS APPROVAL
PENGROWTH ET AL RIGEL B01-16-088-18; WA#12041
RIGEL FIELD – DUNVEGAN FORMATION**

BC Oil and Gas Commission (Commission) staff have reviewed the April 9, 2018 application from Pengrowth Energy Corporation seeking approval of observation well status for the subject well.

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 Rigel B1-16 well was drilled in 1998 to a total depth of 167.0 m, for the purpose of a water source well. This well produced water from 1998 to 2005. Authorization of observation status establishes requirements for fluid level measurement and water sampling to monitor effects of the nearby water source well A01-16-88-18; WA12042. Groundwater extraction from the A1-16 well will be authorized under a Water Sustainability Act (WSA) Short Term Use Approval.

Approval of observation status is granted for Pengrowth et al Rigel B01-16-088-18, for the Dunvegan formation, with the following requirements;

- Annually determine a fluid level and a conduct fluid sample testing. Maintain records.
- Submit a BC11 form to the Ministry of Finance to update the well status.

Should you have any questions, please contact Michelle Gaucher at (250) 419-4482 or the undersigned at (250) 419-4430.

Sincerely,

Michelle Gaucher, P.Eng.
Reservoir Engineer
Oil and Gas Commission