

July 4, 2019

7400-4900-32640-60

Floyd Siegle, P.Eng., MBA
Vice President Engineering
Primavera Resources Corp.
2700, 255 – 5 Ave S.W.
Calgary, AB T2P 3G6

Dear Mr. Siegle:

**RE: OBSERVATION WELL STATUS APPROVAL
PRIMAVERA RES HZ RED A5-10-85-21 (WA 11450)
RED CREEK FIELD – DOIG C POOL**

BC Oil and Gas Commission (Commission) staff have reviewed the June 27, 2019 application from Primavera Resources Corp. seeking approval of observation well status for Primavera Res HZ Red A5-10-85-21 (WA 11450).

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 1998 and the Doig formation produced from 1998 until 2008. The well has been suspended since July 2011. The Red Creek field, Doig ‘C’ pool is currently operating as a pressure maintenance waterflood special project with two water injection wells. Primavera Resources Corp. intends to monitor reservoir pressure in the Red Creek field, Doig ‘C’ pool by measuring the fluid level in the subject well on a monthly basis and calculating a bottom hole pressure.

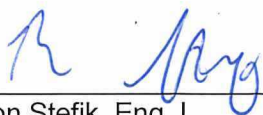
Approval of observation status is granted for Primavera Res HZ Red A5-10-85-21 (WA 11450) for the Red Creek field, Doig ‘C’ pool, with the following requirement:

- To conduct a reservoir pressure test and submit the results via eSubmission on a monthly basis.

The activation of a suspended well should follow the procedures outlined in Section 9.3.5 of the [Oil & Gas Operations Manual](#). All reservoir pressure tests conducted, including acoustic well sounders and fluid shots, must be submitted to the Commission within 60 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