

January 10, 2023

Enforcement File: 2019-024FSJ

Strathcona Resources Ltd.
1900, 421-7th Avenue SW
Calgary, Alberta T2P 4K9

Attention: Mr. Scott Johnston

Re: General Order 2019-011

Dear Mr. Johnston:

On October 1, 2019, the BC Oil and Gas Commission (Commission) issued General Order 2019-011 to Pengrowth Energy Corporation, now Strathcona Resources Ltd.(Strathcona).

Strathcona has satisfied all the requirements of the Order.

Please be advised that pursuant to section 49(8) of the *Oil and Gas Activities Act*, General Order 2019-011 is hereby terminated.

If you have any questions or concerns, please do not hesitate to contact the Commission.

Sincerely,



Dax Bourke
Executive Director, Compliance & Enforcement
BC Oil and Gas Commission

GENERAL ORDER 2019-011
Section 49 *Oil and Gas Activities Act*

Issued to:

Pengrowth Energy Corporation
1600, 222 Third Avenue SW
Calgary, Alberta T2P 0B4

Attention: Mr. Shawn Jesse, Manager, Health, Environment & Regulatory Compliance

Order:

Pursuant to section 49(1)(e) of the *Oil and Gas Activities Act* (the Act), I, Patrick Smook, order that Pengrowth Energy Corporation (Pengrowth) must:

1. Not conduct surface abandonment operations for the following wells on or before December 31, 2021 without prior written approval of the BC Oil and Gas Commission (Commission):
 - WA 2123 located at d-019-J/094-H-02
 - WA 396 located at d-028-J/094-H-02
 - WA 393 located at d-039-J/094-H-02
 - WA 6548 located at c-048-J/094-H-02
 - WA 1419 located at b-049-J/094-H-02
 - WA 1552 located at b-058-J/094-H-02
2. Not conduct zonal abandonment operations for the following wells on or before December 31, 2021 without prior written approval of the Commission:
 - WA 309 located at b-038-J/094-H-02
 - WA 1413 located at d-018-J/094-H-02
 - WA 6545 located at b-059-J/094-H-02
 - WA 1038 located at d-059-J/094-H-02

Conditions:

- A. This order shall remain in effect until amended or terminated in whole or in part by the Commission.

Reasons:

I make this order for the following reasons:

1. Pengrowth is the permit holder of all the wells listed in items 1 and 2.
2. All the wells listed in items 1 and 2 are located within the Beatton River field Halfway "A" pool (the Pool).

General Order 2019-011

3. Pengrowth continued water injection into the Pool until 2015, after production ceased in 2008.
4. On February 17, 2017 Pengrowth conducted an acoustic well sounder on WA 309 and the results indicated the Pool was over pressured.
5. On February 19, 2019 Pengrowth completed a static gradient test on WA 309 and the results indicated the Pool was over pressured.
6. On April 11, 2019 the Commission issued General Order 2019-003 to Pengrowth (GO 2019-003) as a result of information received that the Pool was over pressured.
7. GO 2019-003 required Pengrowth to, among other things, measure the reservoir pressure in the Pool by conducting static gradient tests at certain wells located in the Pool.
8. On July 29, 2019 and July 30, 2019 Pengrowth measured the reservoir pressure on 5 of the wells listed in item 1 and the results indicate the Pool is over pressured.
9. Zonal abandonment of a well listed in item 2 would prevent the ability to use that well to measure the pressure in the Pool.
10. Continued monitoring and testing of the pressure for the wells listed in items 1 and 2 on an annual basis for the next two years is necessary to demonstrate ongoing containment of fluid within the Pool.
11. I am of the opinion this order is necessary to protect the environment.

Review and Appeal

Pengrowth may request a review of this order under section 70 of the Act by submitting a request for review to: ogc.determinationreviews@bcogc.ca.

Pengrowth may appeal this order to the Oil and Gas Appeal Tribunal under section 72 of the Act. The process for appeals may be found at www.ogat.gov.bc.ca and a notice of appeal may be sent to the Oil and Gas Appeal Tribunal at:

Oil and Gas Appeal Tribunal
PO Box 4925 Stn Prov Govt
Victoria, BC V8W 9V1



Patrick Smook
Director, Compliance and Enforcement
BC Oil and Gas Commission

DATED AT Fort St. John, in the Province of British Columbia, this 1st day of October, 2019.