

June 29, 2023

0210-2600-32640-60

Jonathan Wright, P. Eng.  
Director, Engineering and Operations ACGS  
Aitken Creek Gas Storage ULC  
11304 – 100<sup>th</sup> Avenue  
Ft St John, British Columbia V1J 1Z9

Dear Mr. Wright,

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

BC Energy Regulator staff have reviewed the April 4, 2023, application from Aitken Creek Gas Storage ULC (ACGS) seeking observation well designation for 4 wells in the Aitken Creek field, Gething ‘A’ pool, and the subject well in the Aitken Creek North field Bluesky ‘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,
  - (b) the well is not used to produce from, or inject or dispose of fluids into, a formation being monitored.

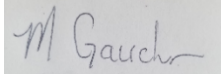
The subject well was rig released in December 1980 and was completed for the purpose of gas production from the Baldonnell formation. The well zonally abandoned in January of 1988, then recompleted in the Bluesky ‘A’ pool in 1993 for the purpose of gas production but rates were too small to measure. The Aitken Creek North, Bluesky ‘A’ pool was approved for storage of natural gas in 1999 and storage operations began in 2009. ACGS is requesting observation well designation for the subject well to model the reservoir, collect gas movement information and test for well integrity and suitability for long-term observation. The application well is zonally abandoned, but it is the intention of ACGS to drill out the cement and bridge plug and equip the well for permanent pressure monitoring.

Approval of observation status is granted for the well Aitken Gas Et Al Aitken a-39-D/94-H-4 (WA# 5440), for the Bluesky formation, with the following requirements:

1. Equip the well with tubing and a packer.
2. Conduct annual packer isolation tests and submit results to the Regulator.
3. Conduct an annual surface casing vent flow rate tests and submit the results to the Regulator.
4. Conduct a minimum of two reservoir pressure tests annually and submit the results to the Regulator.
5. Prior to December 31, 2024:
  - Conduct a static gradient test a minimum of once.
  - Conduct a cement bond log and casing integrity log and submit with interpretation reports of the results, to the Regulator.
  - Submit a report to the Regulator of any other observations or analysis conducted based on the data collected from this well, confirming appropriate continuation of observation designation.

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

Sincerely,

A handwritten signature in dark ink, appearing to read "M Gaucher", is positioned above a horizontal line.

Michelle Gaucher, P. Eng.  
Senior Reservoir Engineer  
BC Energy Regulator