

May 4, 2017

4650-2600-32640-60

Jordy Brickner
Production Engineer
Harvest Operations Corp.
1500, 700 – 2nd Street SW
Calgary, AB T2P 2W1

Dear Mr. Brickner,

**RE: OBSERVATION WELL STATUS APPROVAL
HARVEST HAY d-57-H/94-I-9 (WA 6062)
HAY RIVER – 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 Hay River field, Bluesky “A” Pool; Harvest Hay d-57-H/94-I-9 (WA 6062).

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 1984 and the Bluesky formation was completed for the purpose of oil production; producing for one month in 1985. The well was converted to water injection in 2001 and injected into the formation from 2001 to 2003. The status of the Bluesky completion event was changed to observation in July 2005.

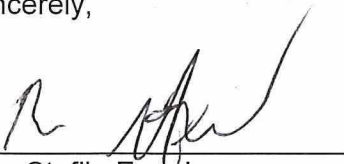
Approval of observation status is granted for Harvest Hay d-57-H/94-I-9 (WA 6062), for the Bluesky “A” pool, with the following requirements;

- conduct a reservoir pressure test annually.

Please be reminded that all reservoir pressure tests conducted must be submitted to the Commission within sixty days after the date on which the pressure was measured.

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

Sincerely,



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