



March 17, 2016

2000-6200-32640-60

Jeremy Sarada, CET
Regulatory Analyst, Exploration & Production
Centrica Canada Ltd.
1200, 525 8 Avenue SW
Calgary, AB T2P 1G1

Dear Mr. Sarada:

**RE: OBSERVATION WELL STATUS – NOT GRANTED
DIRECT HUSKY BOUNDARY 11-30-084-14, WA 06900
BOUNDARY LAKE FIELD – BELLOY “B” and “G” POOLS**

BC Oil and Gas Commission (Commission) staff have reviewed the March 10, 2016 application from Centrica Canada Ltd. seeking approval of observation well status for Direct Husky Boundary 11-30-084-14 (WA 06900).

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 1988, targeting the Belloy formation for gas production. The well actively produced for two months in 1988, and continuously from August 1991 until September 2014. During workover operations in October 2014, the existing production tubing string (set in 1992 for commingled production) parted and 639.9 m of tubing was left in the well. The parted tubing is located at 1146.1 to 1786.0 mKB, the Belloy “G” perforations at 1786.0 to 1789.0 mKB, and the Belloy “B” perforations at 1770.5 to 1774.5 mKB.

Centrica Canada Ltd. is requesting use of this well to monitor the Belloy formation pressure in the Boundary Lake Field to assist in the optimization of this producing Belloy pool; and more specifically, to determine compartmentalization of the Belloy formation due to assumed discreet sandstone packages.

Due to the current configuration of the well bore, the parted tubing string likely impairs the ability to obtain a valid reservoir pressure. Therefore, observation status is **not granted** for Direct Husky Boundary 11-30-084-14 (WA 06900), Boundary Lake field, Belloy “B” and “G.” The well status will be set to “suspended” as the well has not produced since September 2014.

The Commission will consider a subsequent request for observation status should Centrica Canada Ltd. submit a valid reservoir pressure for the subject well. Please review the [Well Testing Requirements](#) document for further information on Reservoir Pressure Survey Testing.

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