

December 10, 2019

0210-2600-32640-60

Lawrence Ndoh, P. Eng
Facilities Engineer
Aitken Creek Gas Storage ULC
11304 – 100th Avenue
Ft St John, British Columbia V1J 1Z9

Dear Mr. Ndoh,

**RE: OBSERVATION WELL DESIGNATION APPROVAL
AITKEN GAS N AITKEN b-41-A/94-G-1 (WA# 7775)
AITKEN CREEK NORTH – BLUESKY 'A'**

BC Oil and Gas Commission (Commission) staff have reviewed the December 2, 2019, application from Aitken Creek Gas Storage ULC (ACGS) seeking observation well designation for Aitken Gas N Aitken b-41-A/94-G-1 (WA #7775) 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, 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 1991 and the Bluesky formation was completed for the purpose of gas production. The Aitken Creek North, Bluesky 'A' pool was approved for storage of natural gas in August 1999, with storage operations commencing in 2012. The subject well has been used for both production and injection. The last reported production from the subject well was September 2016 and the last reported injection was September 2018. ACGS is requesting observation well designation for the subject well to monitor reservoir pressure in the pool during injection and withdrawal cycles.

Approval of observation status is granted for Aitken Gas N Aitken b-41-A/94-G-1, for the Bluesky formation, with the following requirements:

- conduct two reservoir pressure tests annually and submit the results to the Commission, and
- conduct an annual surface casing vent flow rate test and submit the results to the Commission.

Any additional reservoir pressure tests conducted must also be submitted to the Commission as per sections 73(3) and 73(4) of the Drilling and Production Regulation.

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