

June 15, 2022 2150-4060-59240-16

Matthew Galea Exploitation Engineer, BC South Canadian Natural Resources Ltd. 2100, 855- 2 nd Street SW Calgary, Alberta T2P 4J8

Dear Matthew Galea:

RE: ACID GAS DISPOSAL APPROVAL AMENDMENT #1
CNRL BRAZION a-88-H/93-O-8; WA# 8496
BRAZION FIELD – PARDONET-BALDONNEL "B" POOL

The Commission has reviewed the state of the suspended acid gas disposal well a-88-H. The subject well was drilled in June of 1994, produced from July 1994 to August 2009. It was approved for acid gas disposal in 2011. Disposal operations occurred from March 2011 until November 2012. The well was suspended with a tubing plug in November of 2012. A total volume of 133,277 e³m³ has been disposed into the depleted Pardonet-Baldonnel B pool. On February 5, 2021, the Commission provided a letter to CNRL requesting an indication of intended future use of this well. The response on April 6, 2021 indicated no potential use within 2 years.

As part of the Commission's assessment and amendment process for all disposal wells, active and inactive, a number of new conditions have been applied to the wells. The subject well will require increased monitoring and reporting, as outlined in the attached order #10-16-003 Amendment #1. For the inspection requirement of Order condition 2b), please arrange via email to OGCPipelines.Facilities@bcogc.ca as soon as practicable, but before August 31st, 2022.

Prior to returning this well to active disposal, an application to amend this Order is required, with supporting well test and logging information.

If you have any questions, please contact Michelle Gaucher at michelle.gaucher@bcogc.ca or 250-419-4482, or Ron Stefik at ron.stefik@bcogc.ca or 250-419-4430.

Sincerely,

Ron Stefik, P.L.Eng.

Supervisor, Reservoir Engineering

Oil and Gas Commission



ORDER 10-16-003 AMENDMENT #1

1 Under Section 75(1)(d) of the Oil and Gas Activities Act, the Commission designates the operation and use of a storage reservoir for the disposal of acid gas in the well Brazion field – Pardonet-Baldonnel "B" pool as a special project in the following area:

NTS 93-O-8: Block G - units 91

Block H – units 78, 79, 88, 89, 98-100

Block I – units 8-10, 20, 30

Block J - units 1, 11-13, 21-23, 32, 33, 42, and 43.

2 Under section 75(2) of the *Oil and Gas Activities Act*, the special project designation in this Order is subject to the following conditions. The Permit Holder shall:

Operating Limits

a) Maintain the well CNRL Brazion a-88-H/93-O-08; WA8496 in a suspended state.

Monitoring

- b) Schedule an OGC technical inspection as soon as practicable prior to August 31, 2022.
- c) Install and maintain H₂S detection and alarming capable of immediate notification to CNRL Emergency Response staff.
- d) Calibrate H₂S detection twice annually.
- e) Complete twice-annual site inspection visits, recording pressure measurements of the tubing and the casing annulus and eSubmit a Suspended Well Inspection report via eSubmission, as described in eSubmission User Guide.
- f) Once annually, conduct a positive pressure test to 7MPa for 10 minutes on the annulus and tubing and report via eSubmission through the Suspended well report.

Wellbore Integrity

- g) Ensure a downhole safety valve with failsafe closure is installed.
- h) Implement appropriate corrosion and freeze protection measures in the casing-tubing annulus.
- i) Maintain a barricade around the wellhead that is capable of withstanding vehicle collision.
- j) Submit a Progress Report for a Suspended Acid Gas Well to the Commission annually. The Progress Report must be filed within 60 days after the end of the year and must contain the information specified in the Acid Gas Progress Report Requirements document found on the OGC website here: http://www.bcogc.ca/industry-zone/documentation/Subsurface-Disposal.
- k) Prior to abandonment of the disposal zone or well, conduct a reservoir pressure test on the formation in the subject well, with a shut-in period of sufficient length to provide data for calculation of the reservoir pressure and submit a report of the test within 60 days of the end of the test.
- I) Do not remove the packer in the subject well unless approved to do so by the Commission.

Ron Stefik, P.L.Eng.

Supervisor, Reservoir Engineering

Oil and Gas Commission