

July 31, 2017

7600-4520-32640-60

Kelsey Whiting-Hewlett, C.E.T.
Engineering Technologist, Conventional, Engineering
Pengrowth Energy Corporation
2100, 222 – 3rd Avenue SW
Calgary, AB T2P 0B4

Dear Mr. Whiting-Hewlett,

**RE: OBSERVATION WELL STATUS APPROVAL
PENGROWTH RIGEL 1-34-88-18 (WA 9369)
RIGEL – CECIL “B”**

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 Rigel field, Cecil “B” pool; Pengrowth Rigel 1-34-88-18 (WA 9369).

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 1995 and the Cecil formation was perforated in 2002, but did not produce. The status of the Cecil completion event was updated to observation in December 2004.

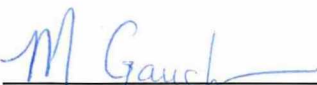
Approval of observation status is granted for Pengrowth Rigel 1-34-88-18 (WA 9369) for the Cecil “B” pool, with the following requirements;

- 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) 419-4482.

Sincerely,



Michelle Gaucher, P.Eng
Reservoir Engineer
Oil and Gas Commission