

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 b-53-G/94-I-9 (WA 10268)
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 b-53-G/94-I-9 (WA 10268).

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 1998 and the Bluesky formation was completed but did not produce. In 2009 the Pekisko formation was completed but has not reported production. The Pekisko perforations are isolated from the Bluesky perforations by a WR plug. The status of the Bluesky completion event was changed to observation in March 2009.

Approval of observation status is granted for Harvest Hay b-53-G/94-I-9 (WA 10268), 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