

July 7, 2020 2985-6200-32640-02

Kimberley Toews-Koch Senior Engineering Technologist TAQA North Ltd PO Box 2350 STN M Calgary, AB T1P 2M6

Dear Ms. Toews-Koch:

RE: PRODUCED WATER DISPOSAL SPECIAL PROJECT APPROVAL, AMENDMENT #2
PRESSURE TESTING EXEMPTION
TAQA NORTH ET AL CHINCHAGA d-33-H/94-H-08; WA# 10834
CHINCHAGA RIVER FIELD – BELLOY FORMATION

Approval for disposal of produced water, Order 98-02-002, was issued for the subject well, Belloy formation, on February 2, 1998. Order 98-02-002 Amendment #1 was issued on July 4, 2016 and Amendment #2 was issued June 17, 2019. Condition 2h) of Amendment #2 requires that a reservoir pressure test be conducted in the well once every two years. TAQA North Ltd. (TAQA) has requested deferral of the required reservoir pressure test to 2022, when the abandonment of the well is scheduled.

The subject began injection is April 1998 and a cumulative volume of 655,127.2 m³ has been injected as of May 31, 2020. Reservoir pressure tests were conducted in 2016 and 2018 and no reservoir pressure increase was observed, and the measured reservoir pressure was approximately 1.6 MPa below the maximum approved formation pressure. TAQA has informed the Commission that an abandonment program has started for the Chinchaga River area and the Commission notes that water disposal volumes have been declining since 2016. There has been no disposal into the subject well for March, April and May of this year.

The reservoir pressure testing history, declining activity levels in TAQA wells in the Chinchaga River area and the proposed abandonment program support an exemption from the required 2020 reservoir pressure test. The reservoir pressure test required by condition 2h) of Order 98-02-002 Amendment #2, due in 2020, for the produced water disposal well TAQA North et al Chinchaga d-33-H/94-H-8 (WA 10834) is hereby deferred to 2022 or the abandonment of the well, whichever occurs first. A final reservoir pressure must be obtained prior to the abandonment of the well.

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