

December 20, 2018

1880-6200-32640-02

Floyd Siegle
Vice President Engineering
Primavera Resources Corp.
Suite 2700 Bow Valley Square II
255 – 5th Avenue S.W.
Calgary, AB T2P 3G6

Dear Mr. Siegle,

RE:

PRODUCED WATER DISPOSAL SPECIAL PROJECT APPROVAL

PRIMAVERA RES BOUDREAU 15-13-84-21; WA# 11309

BOUDREAU FIELD – BELLOY FORMATION

Commission staff have reviewed the application from Primavera Resources Corp., dated October 16th, 2018, requesting produced water disposal approval into the Belloy formation of the subject well.

The well 15-13 was drilled and completed in the Boudreau – Belloy "A" pool in 1998, producing oil (9,105 m³), gas (4,943 e³m³) and water (5,143 m³) from June 1998 to July 2001. Upon approval in February 2004, the Belloy interval in this well was then used for disposal from December 2004 until May 2009, for a total volume of 9,246.5 m³. On July 12, 2017 a bridge plug was set above the Belloy and topped with 9m of cement. Well surface abandonment occurred in August 2017. In October 2018, Primavera re-entered the well, milled out the cement and bridge plug, and perforated lower additional Belloy interval. As the well was previously abandoned, the existing disposal approval had been terminated.

Attached please find **Order 18-02-010**, designating an area in the Boudreau field, Belloy formation, as a Special Project under section 75 of the Oil and Gas Activities Act. Additional general information regarding disposal wells is available on the Commission's website at http://www.bcogc.ca/industry-zone/documentation/Subsurface-Disposal.

For the inspection requirement of Order condition 2k), please arrange via email to OGCPipelines.Facilities@bcogc.ca.

Should you have any questions, please contact Michelle Gaucher at (250) 419-4482 or Ron Stefik at (250) 419-4430.

Sincerely,

Ron Stefik, Eng. L.

Supervisor, Reservoir Engineering

Oil and Gas Commission

Attachment



ORDER 18-02-010

- 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 produced water, including flowback from fracturing operations, in the Boudreau field Belloy formation as a special project in the following area:
 - DLS Twp 84 Rge 21 W6M Section 13 Lsds 9, 10, 15 and 16
- 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:
 - a) Inject produced water only into the well Primavera Res Boudreau 15-13-84-21; WA# 11309 Belloy (perforations 2087.0 to 2125.0 mKB) formation.
 - a) Not exceed an injection pressure, measured at the wellhead on the subject well, of 8,300 kPag or the pressure required to fracture the formation, whichever is lesser.
 - b) Inject only through tubing with a packer set as near as is practical above the injection interval.
 - c) Continually measure and record the wellhead casing and tubing pressures electronically.
 - d) Cease injection and notify the Commission immediately if hydraulic isolation is lost in the wellbore or formation.
 - e) Submit the annual packer isolation test report to the Commission within 30 days of the completion of the test.
 - f) Include the disposal operating hours and the maximum injection pressure value on the monthly Petrinex disposal report.
 - g) Conduct an annual 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.
 - h) Cease injection upon reaching a maximum formation pressure of 21,400 kPaa, measured at 2094.3 mCF TVD.
 - i) Perform a casing inspection log on the subject well and submit results to the Commission within 30 days of the completion of logging, at an interval of not more than every 10 years, commencing from the date of initial disposal.
 - ii) Perform a hydraulic isolation temperature log on the subject well and submit results to the Commission within 30 days of the completion of logging, at an interval of not more than every 5 years, commencing from the date of initial disposal.
 - Not conduct a hydraulic fracture stimulation on any formation in the subject well without prior Commission approval.
 - k) Complete an inspection, satisfactory to the Commission, within 4 weeks of initial disposal operations.

Ron Stefik, Eng. L

Supervisor, Reservoir Engineering

Oil and Gas Commission

Advisory Guidance for Order 18-02-010

- I. A production packer must be set above the injection interval and the space between the tubing and casing filled with corrosion and frost inhibiting fluids, as per section 16(2) of the Drilling and Production Regulation.
- II. Annual packer isolation tests are required to be submitted, as per section 16(3) of the Drilling and Production Regulation.
- III. Injected fluids must be metered and the injection pressure measured at the wellhead, as per section 74 of the Drilling and Production Regulation.
- IV. A monthly disposal statement must be submitted to the Commission via Petrinex not later than the 20th day of the month following the reported month, as per section 75 of the Drilling and Production Regulation.
 - b) Seismic events must be reported and disposal operations suspended as per section 21.1 of the Drilling and Production Regulation.