

August 19, 2015

2400-2900-59240-07

Ann Green  
Engineering Technologist  
Bonavista Energy Corporation  
1500, 525– 8<sup>th</sup> Avenue S.W.  
Calgary AB T2P 1G1

Dear Ms. Green,

**RE: CONCURRENT PRODUCTION SPECIAL PROJECT**  
**BUICK CREEK - DUNLEVY "P" POOL**

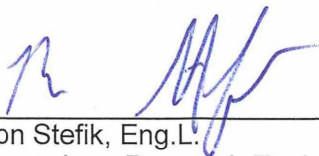
The Commission has reviewed the application from Bonavista Energy Corporation, dated March 20, 2015, requesting an amendment to Good Engineering Practice (GEP) Order 04-06-055, to remove the daily oil allowable (DOA) for the subject pool. The Buick Creek field – Dunlevy "P" pool is produced from the single well Bonavista et al Buick a-81-K/94-A-11 (WA# 15179). Operating under a GEP approval since 2004, an amendment dated July 5, 2006 reduced the DOA to a spacing area reserves based value of 10.6m<sup>3</sup>, and an amendment dated July 20, 2007 increased the DOA to 21.7m<sup>3</sup> in recognition of the demonstrated ability to recover reserves within the area of ownership beyond the assigned spacing area.

Efforts to develop this pool have been unsuccessful to date, and any potential secondary recovery may be problematic due to pool size and close proximity to the underlying depleted Dunlevy "C" gas pool. The gas-oil ratio (GOR) has continued to increase, causing the GOR adjustment factor to decrease from 0.50 in July 2007 to 0.19 at present. Primary production has provided good reserves recovery to date, with pressure now decreased to almost half of the initial value. As a single well pool there is no issue of competitive drainage.

Continued economic production will allow sustained reserves recovery. GEP approval 04-06-055 is hereby rescinded. Attached is Order 15-07-002 designating Concurrent Production for the Buick Creek field – Dunlevy "P" pool as a Special Project under section 75 of the *Oil and Gas Activities Act*. The project DOA will remain at 21.7m<sup>3</sup> however a GOR adjustment factor will no longer apply. A daily gas limit (DGL) of 20.4e<sup>3</sup>m<sup>3</sup>, calculated based on the average operating GOR from the previous six months, will ensure reservoir energy is depleted in a matter to provide continued benefit to oil recovery.

Should you have any questions, please contact Melanie de Boer at (250) 419-4433 or the undersigned at (250) 419-4430.

Sincerely,




Ron Stefik, Eng.L.  
Supervisor, Reservoir Engineering  
Oil and Gas Commission

Attachment

IN THE MATTER of an application from Bonavista Energy Corporation to the Commission dated March 20, 2015 for Concurrent Production approval.

**ORDER 15-07-002**

- 1 Under Section 75(1)(a) of the *Oil and Gas Activities Act*, the Buick Creek field – Dunlevy 'P' formation is designated as a special project for enhanced recovery of petroleum and natural gas utilizing Concurrent Production within the following area;  
NTS 94-A-11 Block K – Units 71 and 81.
- 2 Under section 75(2) of the *Oil and Gas Activities Act*, I specify the following:
  - a) The project daily oil allowable is 21.7m<sup>3</sup>.
  - b) The project daily gas limit is 20.4e<sup>3</sup>m<sup>3</sup>.
  - c) The gas oil ratio adjustment factor (FGOR) is waived.
  - d) All produced gas must be conserved.
  - e) This approval may be modified or rescinded at a later date if deemed appropriate.

  
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Ron Stefik, Eng. L.  
Supervisor, Reservoir Engineering  
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 19<sup>th</sup> day of August 2015.