

April 7, 2020

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-86-G/94-I-9 (WA# 20889)
HAY RIVER – BLUESKY “A”**

The subject vertical well was drilled in 2006 and consists of one open hole completion, in the Bluesky formation. The well has never produced but has been used to monitor the reservoir pressure of the Bluesky ‘A’ pool on an annual basis since 2014. Harvest Operations Corp. is requesting observation designation for Harvest Hay b-86-G/94-I-9 (WA# 20889), for the Hay River field, Bluesky ‘A’ pool and proposes conducting an annual static gradient test in the well. The application submitted to the Commission notes that there is no documented surface casing vent flow test for the well.

The Drilling and Production Regulation (DPR) 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.

Approval of observation designation is granted for Harvest Hay b-86-G/94-I-9 (WA# 20899), for the Bluesky ‘A’ pool, with the following requirements:

- Conduct a reservoir pressure test annually, using downhole recorders, and
- Conduct a surface casing vent flow test in 2021.

Please note that all reservoir pressure tests conducted must be submitted to the Commission within 60 days of the end of the test, in accordance with Section 73(3) of the DPR. All surface casing vent flow tests must be submitted to the Commission in accordance with Section 41(2) of the DPR.

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