

July 31, 2017

9045-8295-32640-60

Mario Labrecque
Chevron Canada Resources
500 – Fifth Avenue SW
Calgary, AB T2P 0L7

Dear Mr. Labrecque,

**RE: OBSERVATION WELL DESIGNATION WITHDRAWAL
CHEVRON WOODSIDE HZ OOTLA d-91-G/94-O-9 (WA 22498)
HORN RIVER – MUSKWA-OTTER PARK ‘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 Horn River field, Muskwa-Otter Park ‘A’ pool; Chevron Woodside HZ Ootla d-91-G/94-O-9 (WA 22498).

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)”.

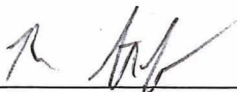
- 2 (7) An official may designate a well as an observation well if
- (a) the well is being used to monitor reservoir pressures or to obtain other formation information, and
 - (b) the well is not used to produce from, or inject or dispose of fluids into, a formation being monitored.

The subject well was drilled in 2007 and completed as a ‘data gathering well’ in the Muskwa-Otter Park formation. In early 2008 micro-seismic tools were installed the well to monitor nearby hydraulic fracture activity. The well was also used to monitor reservoir pressures in 2008 and 2014. The status of the Muskwa-Otter Park completion event was changed to observation in 2011. The most recent pressure test on file is dated March 2014.

The requirement to use the subject well to monitor reservoir pressures or to obtain other formation information is no longer being met. The observation well designation for Chevron Woodside HZ Ootla d-91-G/94-O-9 (WA 22498), will be withdrawn as of August 30th, 2017, and the status will revert to suspended gas observation unless a valid reason for designation is provided to this office prior to that date.

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