

July 31, 2017

9022-5000-32640-60

Lynn Wood, P.Eng  
Exploitation Engineer – BC South  
Canadian Natural Resources Ltd.  
Suite 2500, 885 – 2<sup>nd</sup> Street SW  
Calgary, Alberta, T2P 4J8

Dear Ms. Wood,

**RE: OBSERVATION WELL DESIGNATION WITHDRAWAL  
CNRL UMBACH c-100-C/94-H-3 (WA 24706)  
NORTHERN MONTNEY – MONTNEY '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 Northern Montney field, Montney 'A' pool; CNRL Umbach c-100-C/94-H-3 (WA 24706).

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 2008 and the Montney formation was perforated and fractured; but did not produce. The status of the Montney formation completion event was changed to observation in November 2012. The most recent pressure test on file for the subject well is dated April 2009.

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 The observation well designation for CNRL Umbach c-100-C/94-H-3 (WA 24706), will be withdrawn as of August 30<sup>th</sup>, 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