

December 16, 2019

0320-2700-32640-60

Hugo A. Martinez, P. Eng.
Senior Reservoir Engineer
Pacific Canbriam Energy Inc.
2100, 215 2nd Street SW
Calgary, Alberta T2P 1M4

Dear Mr. Martinez:

**RE: OBSERVATION WELL STATUS APPROVAL
PACIFIC CANBRIAM ALTARES b-A83-A/94-B-8 (WA 26058)
ALTARES – GETHING 'A'**

BC Oil and Gas Commission (Commission) staff have reviewed the December 9, 2019, application from Pacific Canbriam Energy Inc. requesting observation designation for Pacific Canbriam Altares b-A83-A/94-B-8 (WA 26058).

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 2010 and the Gething formation was completed, but did not produce. The well was designated as an observation well on June 2, 2017, with conditions to submit surface pressure data on an annual basis and to update the well status via BC-11; these conditions were not met. Pressure testing conducted on the well in 2016 and 2019 demonstrates that the well is in communication with the Gething 'A' pool. Pacific Canbriam Energy Inc. intends to monitor the reservoir pressure in the subject well to better understand the depletion and remaining pool life in the Northern part of the Gething 'A' pool.

Approval of observation status is granted for Pacific Canbriam Altares b-A83-A/94-B-8, for the Gething formation, with the following requirements;

- conduct a reservoir pressure test, using downhole recorders, on an annual basis; and
- conduct an annual surface casing vent flow rate test and submit the results to the Commission.

All reservoir pressure tests conducted must be submitted to the Commission within sixty days of the date on which the pressure was measured.

Sincerely,



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