

October 5, 2022

9021-5000-59070-20

Ian Blackwell, P. Geo.
Ovintiv Canada ULC
500 Centre Street SE
Calgary, AB T2P 2S5

Dear Mr. Blackwell:

**RE: COMMINGLED PRODUCTION SPECIAL PROJECT
OVV HZ SUNRISE R13-33-78-17 (WA 41349)
HERITAGE FIELD - MONTNEY "A" &
SUNRISE FIELD - DOIG PHOSPHATE "B" POOLS**

The Commission has reviewed the application from Ovintiv Canada ULC (Ovintiv), received September 28, 2022, following a presentation to technical staff on September 27, requesting approval to commingle gas production from the Montney and Doig Phosphate formations in the subject well. The Commission has identified these as the Heritage field Montney "A" pool and the Sunrise field Doig Phosphate "B" pool. An interim commingle approval Order 22-20-001 was issued July 11, 2022, for this well and formations, to allow a period of further data gathering to evaluate the relative production contribution from each formation.

The horizontal well R13-33, rig released June 23, 2022, drilled with an objective path within the upper portion of the Montney formation. Drilling encountered the Doig Phosphate formation above, for approximately 745 meters of the well total horizontal length of 3500 meters, the remainder being within the Montney formation.

The results of gas samples, completion modelling, and production rate confirm that the Montney is the dominant contributing formation. The Doig Phosphate is estimated to be responsible for a fraction of one percentage of both flow rate and reserves from the well. No safety or environmental risks have been identified from continued commingled production. The Commission deems that the administrative burden to both the well permit holder and regulator, for split monthly production submissions, would exceed any value that may result from this reporting. As such, the attached approval order specifies the reporting of 100% of all gas, condensate and water to the Montney formation.

Attached please find **Order 22-20-001 Amendment #1**, designating an area in the Heritage field Montney "A" pool and the Sunrise field Doig Phosphate "B" pool as a Special Project under section 75 of the Oil and Gas Activities Act, for Commingled Production.

Due to the configuration of the horizontal well, both beginning and ending in the Montney with the Doig Phosphate internal between, a separate completion event in the Doig Phosphate will not be recorded, due to systems constraints. Furthermore, a form "Notification of Commingled Well Production" is not required to be submitted to the Commission or the recording of UWI event in Petrinex.

Completion intervals in the Doig Phosphate are wholly within section 27-78-17, however outside of the 250m boundary of a normal gas target area. As the well permit holder is the owner of the tenure in the off-setting locations, no off-target penalty applies. The Montney formation at this location is included within Schedule 2 'Unconventional Zones' of the Drilling and Production Regulation, removing normal well spacing area considerations for that formation.

Prior to the down-hole decommissioning of this well, the permit holder will be required to submit a program for the isolation of porous intervals which is acceptable to the Commission.

Should you have any questions, please contact the undersigned at (250) 419-4430.

Sincerely,



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

Attachment



IN THE MATTER of an application from Ovintiv Canada ULC to the Oil and Gas Commission received September 27, 2022 for commingled production approval.

ORDER 22-20-001 Amendment #1

1 Under Section 75(1)(a) of the *Oil and Gas Activities Act*, the Commission designates the operation commingling of production from the Heritage field Montney “A” pool and the Sunrise field Doig Phosphate “B” pools as a special project for the enhanced recovery of natural gas by commingling production within the following area;

DLS Twp 78 Rge 17 W6M Sections – 11, 13 and 14

2 Under section 75(2) of the *Oil and Gas Activities Act*, the special project designation in this Order is subject to the following conditions. The Permit Holder shall:

- a) Produce gas from the Heritage field Montney “A” pool and the Sunrise field Doig Phosphate “B” pools; commingled through the well OVV HZ Sunrise R13-33-78-17 (WA # 41349).
- b) Report all gas, condensate and water production to the Montney formation.

A handwritten signature in blue ink, appearing to read 'R Stefik', written over a horizontal line.

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

DATED AT the City of Victoria, in the Province of British Columbia, this 5th day of October 2022.