

July 11, 2022

9021-5000-59070-20

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

Dear Mr. Blackwell:

**RE: TEMPORARY 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 July 7, 2022, following a presentation to technical staff on July 6, 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.

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. Ovintiv intends to complete and hydraulic fracture stimulate stages within both the Montney and Doig Phosphate portions of the well, with the majority of production expected to originate from the Montney.

Once the subject well is completed and flow tested to confirm production capability, Ovintiv must submit completion report information, to confirm the final completion interval locations, and proposed production allocation percentages from each pool, with rationale for determination. For production reporting, a separate completion event must be created for each pool, the location of the toe of the well utilized for the UWI of the Montney, the Doig Phosphate based on the location of the deepest measured depth completion event within that formation.

It is noted that some completion intervals proposed for the Doig Phosphate are located outside of the 250 m boundary of a normal gas target area, and the well will be completed in multiple gas spacing areas in this formation, specifically sections 11, 13 and 14 of 78-17. 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.

This temporary approval provides assurance to complete and test the well. A commingled production approval will replace this interim order and be accompanied with an Other Than Normal Spacing order, issued under section 65.1 of the Petroleum and Natural Gas Act, to address production from more than one spacing area and target area boundaries to accommodate the completed portion of the well within the Doig Phosphate formation, removing off-target penalty considerations.

Attached please find interim **Order 22-20-001**, 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. **This approval is temporary** and as

per Order condition 2c), this order expires on September 30th, 2022 or prior if replaced with an amendment.

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 July 7, 2022 for commingled production approval.

ORDER 22-20-001

- 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) Provide information following the completion of this well as a basis for amendment to this interim order for the allocation of gas, condensate and water production reported in Petrinex.
 - c) This interim approval expires September 30th, 2022 or prior if replaced with an amendment.

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 11th day of July 2022.