

January 12th, 2023

2000-4800-59240-09

Claude Rezk, P.Eng.
Reservoir Engineering Manager
Enercapita Energy Limited
600, 435 – 4th Ave S.W.
Calgary, AB T2P 3A8

Dear Mr. Rezk:

**RE: PRESSURE MAINTENANCE WATERFLOOD SPECIAL PROJECT APPROVAL
OTHER THAN NORMAL SPACING ORDER
BOUNDARY LAKE FIELD – HALFWAY ‘M’ POOL**

The Commission has reviewed the application from Enercapita Energy Limited (Enercapita) dated October 19th, 2021, requesting pressure maintenance waterflood approval (PMWF) for the Boundary Lake field – Halfway ‘M’ pool.

The discovery well, Enercapita Boundary 4-16-86-13 (WA 14854), was drilled and completed into the Boundary Lake Halfway ‘K’ pool in February 2002. An additional eight wells were drilled in the ‘K’ pool, with four in BC and five in Alberta. Following Enercapita’s 2020 preapplication for this project, the Commission combined the ‘K’ pool with the ‘M’ pool, as evidence shows they are in communication. The combined ‘M’ pool contains 11 wells on the BC side, where the well Enercapita Boundary 4-21-86-13 (WA 23861) is the first proposed injection well.

The Commission has reviewed the integrity logs of the proposed injection well 4-21-86-13 and finds it appropriate for injection operations.

The following Orders are attached;

- 1) Order 23-09-001 designating Pressure Maintenance Waterflood within the Boundary Lake field – Halfway ‘M’ pool, as a Special Project under section 75 of the Oil and Gas Activities Act, and
- 2) Order 23-09-001 - OTN approving Other Than Normal Spacing under section 65.1 of the Petroleum and Natural Gas Act for the subject area and formation.

This approval includes a maximum wellhead injection pressure (MWHIP) of 11,050 kPa for the proposed injection well. The ultimate reservoir pressure is limited to the initial pool pressure. Injection is restricted to the purpose of oil recovery and biennial reservoir pressure testing is required. The existing Concurrent Production approvals, Order 11-07-001 Amendment #2 for the former Boundary Lake Halfway ‘K’ pool and Order 11-07-002 Amendment #2 for the Boundary Lake Halfway ‘M’ pool will be cancelled upon the start date of water injection.

Should you have any questions, please contact Logan Gray at (250) 419-4465 or the undersigned at (250) 419-4430.

Sincerely,



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

Attachments

- ORDER 23-09-001**

Advisory Guidance for 23-09-001

- I. A production packer must be set above the injection interval and the space between the tubing and casing filled with corrosion and frost inhibiting fluids, as per section 16(2) of the Drilling and Production Regulation.
- II. Annual packer isolation tests are required to be conducted and the associated report must be submitted to the Commission within 30 days of the test completion, as per section 16(3) of the Drilling and Production Regulation.
- III. Injected fluids must be metered and the injection pressure measured at the wellhead, as per section 74 of the Drilling and Production Regulation.
- IV. A monthly injection statement must be submitted to the Commission via Petrinex not later than the 20th day of the month following the reported month, as per section 75 of the Drilling and Production Regulation.
- V. Seismic events must be reported and injection operations suspended as per section 21.1 of the Drilling and Production Regulation.



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 12th day of January 2023.

