

April 20, 2020

2000-4535-59240-09

Brendan Cathery, P.Eng
Exploitation Engineer
Whitecap Resources Inc.
3800, 525 – 8th Ave S.W.
CALGARY, AB T2P 1G1

Dear Mr. Cathery:

**RE: PRESSURE MAINTENANCE WATERFLOOD SPECIAL PROJECT – AMENDMENT #18
OTHER THAN NORMAL SPACING ORDER – AMENDMENT #18
BOUNDARY LAKE FIELD – BOUNDARY LAKE “A” POOL - UNIT #1**

The Commission has reviewed the application dated February 24, 2020, requesting the addition of two oil spacing units, SW/4 section 34-84-14 and SE/4 section 9-85-14, to the pressure maintenance waterflood area and two wells located in these areas for water injection.

The Commission agrees that both quarter sections, SW/4 section 34-84-14 and SE/4 section 9-85-14 are within the boundaries of the Boundary Lake ‘A’ pool and hence are included in the pressure maintenance waterflood area. The planned conversion of two wells, Whitecap Boundary 4-34-84-14 (WA 7289) and Whitecap Boundary 8-9-85-14 (WA 11416), to water injection service should benefit sweep efficiency and ultimately increase oil recovery. A separate application for amendment to this order will be required for approval of these wells for water injection service, with information that confirms suitable well integrity.

The following Orders are attached;

- 1) Order 64-09-003 Amendment #18 designating Pressure Maintenance Waterflood within the Boundary Lake field – Boundary Lake “A” pool, as a Special Project under section 75 of the *Oil and Gas Activities Act*, and
- 2) Order 64-09-003 Amendment #18 - OTN approving Other Than Normal Spacing under section 65.1 of the *Petroleum and Natural Gas Act* for the subject area and formation.

The Commission notes that the approved maximum wellhead injection pressure (MWHIP) was exceeded on 15 injectors for a minimum of two consecutive months during period of August 2019 to February 2020. Injection above the MWHIP value may cause fracturing outside the Boundary Lake formation and loss of caprock integrity. Failure to meet conditions of the approval order may result in its cancellation or suspension.

It is noted that observation well Whitecap et al Boundary 04-25-084-14 (WA 1219) measured a pressure on June 19, 2019, which exceeded the initial reservoir pressure. As a reminder, injection pressures and volumes must be controlled to limit areas of high reservoir pressure in the Boundary Lake ‘A’ pool such that the pool does not exceed the initial reservoir pressure at the end of operations.

Please note that, as per section 75 of the *Drilling and Production Regulation*, a record of the volume of water injected and the MWHIP must be reported via Petrinex not later than 20th day of the month following the reported month.

Should you have any questions, please contact Petra Kriescher-Trudgeon at (250) 419-4415 or the undersigned at (250) 419-4430.

Sincerely,



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

Attachments



IN THE MATTER of an application from Whitecap Resources Inc. to the Commission dated February 24, 2020 for the production of oil using pressure maintenance (water injection).

ORDER 64-09-003 Amendment #18

- 1 Under section 75(1)(a) of the *Oil and Gas Activities Act*, the Boundary Lake field – Boundary Lake “A” pool is designated as a Special Project for the recovery of oil utilizing pressure maintenance waterflood within the following area;

Twp 84 Rge 13 W6M	Fractional NW/4 Section 16, N/2 Section 17, Sections 18, 19, N/2 & SW/4 Section 20, Fractional NW/4 Section 21, Fractional Section 28, Sections 29, 30, 31, 32, Fractional Section 33
Twp 84 Rge 14 W6M	NW/4 Section 2, Section 3, N/2 Section 4, N/2 Section 7, NW/4 Section 8, E/2 Section 9, Sections 10, 11, NW/4 Section 12, Sections 13, 14, 15, 16, 17, E/2 Section 18, E/2 Section 20, Sections 21, 22, 23, 24, 25, 26, 27, E/2 Section 28, Sections 34, 35, and 36
Twp 85 Rge 13 W6M	Fractional Section 4, Sections 5, 6, 7, 8, Fractional Section 9, Fractional Section 16, Section 17, S/2 Section 18, S/2 Section 20, Fractional SW/4 Section 21
Twp 85 Rge 14 W6M	Sections 1, 2, 3, NE/4 Section 4, E/2 Section 9, Sections 10, 11, NW/4 Section 12, SW/4 Section 13, Section 14, S/2 & NE/4 Section 15.

- 2 Under section 75(2) of the *Oil and Gas Activities Act*, I specify the following:

- a) The oil production volume for a month shall be based on the previous month’s voidage replacement.
- b) All associated produced gas must be conserved.
- c) Water may be injected into the wells listed in Appendix ‘A’.
 - i. For wells injecting other than fresh water, inject only through tubing with a packer set as near as is practical above the injection interval.
 - ii. Not exceed an injection pressure, measured at the wellhead of 14,300 kPa or the pressure required to fracture the formation, whichever is lesser.
- d) Not exceed an average pool pressure of 12,631 kPaa measured at 533 meters subsea.
- e) Cease injection into a well listed in (c) and notify the Commission immediately if hydraulic isolation is lost in the wellbore or formation.
- f) Submit the annual packer isolation test report for wells listed in (c) to the Commission within 30 days of the completion of the test.
- g) Include the monthly injected volume, injection hours and the maximum injection pressure value for the well listed in (c) via Petrinex.
- h) Injection must cease upon termination of production from the pool.
- i) Annual pool VRR must not exceed 1.0

Advisory Guidance for Order 64-09-003 Amendment #18

- 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 submitted, 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 disposal 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, Eng.L.
Supervisor, Reservoir Engineering
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 20th day of April 2020.

Appendix A: Approved Boundary Lake – Boundary Lake ‘A’ pool Unit #1 Water Injectors

WA	Well Name	UWI
227	WHITECAP ET AL BOUNDARY 11-10-085-14	100111008514W600
267	WHITECAP ET AL BOUNDARY 16-04-085-14	100160408514W600
356	WHITECAP ET AL BOUNDARY 16-11-085-14	100161108514W600
359	WHITECAP ET AL BOUNDARY 16-03-085-14	100160308514W600
369	WHITECAP ET AL BOUNDARY 16-31-084-13	100163108413W600
727	WHITECAP ET AL BOUNDARY 16-22-084-14	100162208414W600
767	WHITECAP ET AL BOUNDARY 14-08-085-13	100140808513W600
770	WHITECAP ET AL BOUNDARY 08-01-085-14	100080108514W600
775	WHITECAP ET AL BOUNDARY 16-07-085-13	100160708513W600
776	WHITECAP ET AL BOUNDARY 16-01-085-14	100160108514W600
777	WHITECAP ET AL BOUNDARY 16-02-085-14	100160208514W600
780	WHITECAP ET AL BOUNDARY 06-22-084-14	100062208414W600
796	WHITECAP ET AL BOUNDARY 16-06-085-13	100160608513W600
797	WHITECAP ET AL BOUNDARY 16-35-084-14	100163508414W600
802	WHITECAP ET AL BOUNDARY 06-27-084-14	100062708414W600
803	WHITECAP ET AL BOUNDARY 06-14-084-14	100061408414W600
833	WHITECAP ET AL BOUNDARY 06-35-084-14	100063508414W600
846	WHITECAP ET AL BOUNDARY 16-34-084-14	100163408414W600
872	WHITECAP ET AL BOUNDARY 16-24-084-14	100162408414W600
882	WHITECAP ET AL BOUNDARY 16-05-085-13	100160508513W600
927	WHITECAP ET AL BOUNDARY 06-26-084-14	100062608414W600
939	WHITECAP ET AL BOUNDARY 16-32-084-13	100163208413W600
997	WHITECAP ET AL BOUNDARY 16-23-084-14	100162308414W600
1017	WHITECAP ET AL BOUNDARY 06-23-084-14	100062308414W600
1018	WHITECAP ET AL BOUNDARY 16-19-084-13	100161908413W600
1019	WHITECAP ET AL BOUNDARY 06-30-084-13	100063008413W600
1024	WHITECAP ET AL BOUNDARY 06-10-084-14	100061008414W600
1035	WHITECAP ET AL BOUNDARY 06-16-084-14	100061608414W600
1036	WHITECAP ET AL BOUNDARY 06-24-084-14	100062408414W600
1041	WHITECAP ET AL BOUNDARY 06-18-084-13	100061808413W600
1060	WHITECAP ET AL BOUNDARY 14-29-084-13	100142908413W600
1062	WHITECAP ET AL BOUNDARY 16-30-084-13	100163008413W600
1063	WHITECAP ET AL BOUNDARY 16-25-084-14	100162508414W600
1079	WHITECAP ET AL BOUNDARY 16-10-084-14	100161008414W600
1098	WHITECAP ET AL BOUNDARY 06-19-084-13	100061908413W600
1099	WHITECAP ET AL BOUNDARY 16-26-084-14	100162608414W600
1117	WHITECAP ET AL BOUNDARY 06-20-084-13	100062008413W600
1122	WHITECAP ET AL BOUNDARY 16-21-084-14	100162108414W600
1133	WHITECAP ET AL BOUNDARY 16-09-084-14	100160908414W600
1157	WHITECAP ET AL BOUNDARY 06-21-084-14	100062108414W600
1158	WHITECAP ET AL BOUNDARY 16-17-084-14	100161708414W600
1164	WHITECAP ET AL BOUNDARY 14-08-084-14	100140808414W600

WA	Well Name	UWI
1166	WHITECAP ET AL BOUNDARY 14-02-084-14	100140208414W600
1343	WHITECAP ET AL BOUNDARY 16-18-084-14	100161808414W600
1369	WHITECAP ET AL BOUNDARY 14-04-084-14	100140408414W600
1400	WHITECAP ET AL BOUNDARY 08-29-084-13	100082908413W600
1425	WHITECAP ET AL BOUNDARY 16-29-084-13	100162908413W600
2641	WHITECAP ET AL BOUNDARY 16-17-085-13	100161708513W600
3189	WHITECAP ET AL BOUNDARY 02-15-085-14	100021508514W600
33769	WHITECAP ET AL HZ BOUNDARY C14-20-084-13	100122108413W600
33770	WHITECAP ET AL HZ BOUNDARY B14-20-084-13	100021908413W600

IN THE MATTER of an application from Whitecap Resources Inc. to the Oil and Gas Commission dated February 24, 2020 for Other Than Normal Spacing.

ORDER 64-09-003 Amendment #18 - OTN

- 1 Under Section 65.1(2) of the *Petroleum and Natural Gas Act*, Other Than Normal Spacing is approved within the Boundary Lake field – Boundary Lake “A” pool within the following area;

Twp 84 Rge 13 W6M	Fractional NW/4 Section 16, N/2 Section 17, Sections 18, 19, N/2 & SW/4 Section 20, Fractional NW/4 Section 21, Fractional Section 28, Sections 29, 30, 31, 32, Fractional Section 33
Twp 84 Rge 14 W6M	NW/4 Section 2, Section 3, N/2 Section 4, N/2 Section 7, NW/4 Section 8, E/2 Section 9, Sections 10, 11, NW/4 Section 12, Sections 13, 14, 15, 16, 17, E/2 Section 18, E/2 Section 20, Sections 21, 22, 23, 24, 25, 26, 27, E/2 Section 28, Sections 34, 35, and 36
Twp 85 Rge 13 W6M	Fractional Section 4, Sections 5, 6, 7, 8, Fractional Section 9, Fractional Section 16, Section 17, S/2 Section 18, S/2 Section 20, Fractional SW/4 Section 21
Twp 85 Rge 14 W6M	Sections 1, 2, 3, NE/4 Section 4, E/2 Section 9, Sections 10, 11, NW/4 Section 12, SW/4 Section 13, Section 14, S/2 & NE/4 Section 15.

- 2 Under section 65.1(3) of the *Petroleum and Natural Gas Act*, I specify the following:
 - a) the target area for an oil well completed within the project area is not nearer than 100 m to the sides of the Other Than Normal Spacing area,
 - b) an oil well completed outside the target area specified in paragraph (a) may be subject to an off-target production penalty,
 - c) oil wells drilled within the specified project area are not subject to spacing requirements.



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

DATED AT the City of Victoria, in the Province of British Columbia, this 20th day of April 2020.