

June 27, 2025

5852-2805-59240-13

Ted Bowen
Bench Creek Resources Ltd.
57017 Range Road 141
Yellowhead County, AB T7E 3Z7

Dear Mr. Bowen:

**RE: TEMPORARY GAS RECYCLING SPECIAL PROJECT APPROVAL AMENDMENT #1
MAXHAMISH FIELD – CHINKEH 'A' POOL**

Bench Creek Resources Ltd. (BCR) has requested a temporary extension of the gas recycling project in the Maxhamish Field, Chinkeh 'A' Formation, to allow additional time for application submission, review, and any required First Nation consultation.

The discovery well, *Mobil BP PCI Max c-51-B/94-O-14 (WA 7573)*, was drilled in 1991. GEP approval (Order 99-06-012) was issued in 1999 to allow optimized well spacing, followed by concurrent production and GEP approval (Order 08-07-003) in 2008, after an oil leg was identified in 2003. In January 2023, four wells were approved for commingled production with the Scatter formation.

In late May 2024, the Fort Nelson Gas Plant was suspended indefinitely, stranding gas production from the pool. On June 16, 2024, the BC Energy Regulator (BCER) granted temporary approval for gas reinjection via 11 repurposed production wells in the center of the pool, enabling BCR to continue recovering hydrocarbon liquids from the produced gas stream. There is currently no indication that the Fort Nelson Gas Plant will restart in the near future. The current approval expires June 30, 2025.

The BCER and BCR began discussing extension requirements in early May 2025, and BCR has indicated that its application is nearly complete.

The following Orders are attached;

- 1) **Order 24-13-001 Amendment #1** designating a Gas Recycling project within the Maxhamish field – Chinkeh 'A' pool, as a Special Project under section 75 of the Energy Resource Activities Act, and
- 2) **Order 24-13-001 Amendment #1 - OTN** approving Other Than Normal Spacing under section 65.1 of the Petroleum and Natural Gas Act for the subject area and formation.

This amendment grants an extension of the temporary gas recycling project to November 30, 2025.

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

Sincerely,



Richard Slocomb, M.A.Sc., P.Eng., C.Dir.
Vice President, Environmental & Subsurface Resource Management
BC Energy Regulator



ORDER 24-13-001 Amendment #1

- 1 Under section 75(1)(a) of the *Energy Resource Activities Act*, the Maxhamish field – Chinkeh ‘A’ pool is designated as a Special Project for the recovery of hydrocarbon liquids utilizing gas recycling within the following area;

- NTS 94-O-6 Block J - units 20, 30, 38-40, 48-50, 56-60, 66-70, 76-80, 86-90, 96-100
Block K - units 11-19, 21-29, 31-39, 41-49, 51-59, 61-69, 71-100
Block L - units 71, 81, 91
- 94-O-11 Block B - units 6-10, 14-20, 24-30, 34-40, 44-50, 54-60, 64-70, 72-80, 82-90, 92-100
Block C - units 1-75, 81-85, 91-93
Block D - units 1, 11, 21, 31, 41, 51, 61
Block F - units 1-3, 11-15, 21-25, 31-35, 41-45, 51-55, 61-65, 71-77, 81-87, 91-97
Block G - units 2-100
Block H - units 20, 30, 40, 50, 60, 70, 80, 90, 100
Block I - units 10, 20, 30, 40, 50, 58-60, 68-70, 78-80, 88-90, 98-100
Block J - units 1-100
Block K - units 1-7, 11-17, 21-27, 31, 41, 51-53, 61-63, 71-75, 81-85, 91, 94-97
- 94-O-14 Block A - units 8-10, 18-20, 26-30, 36-40, 46-50, 56-60, 66-70, 76-80, 86-90, 96-100
Block B - units 1-39, 41-49, 51-59, 61-69, 71-79, 81-89, 91-98
Block C – units 1, 4-7, 11, 21
Block G - units 1-8, 11-18, 21-28, 31-37, 41-47, 51-57, 61-67, 71-75, 81-85, 91-95
Block H - units 6-10, 18-20, 28-30, 38-40, 48-50, 58-60, 68-70, 78-80, 88-90, 98-100
Block I - units 8-10 and
Block J - units 1-5.

- 2 Under section 75(2) of the *Energy Resources Activities Act*, the special project designation in this Order is subject to the following conditions:

- a) The project unadjusted daily oil allowable (UDOA) is waived.
- b) All associated produced gas must be conserved or reinjected.
- c) Gas produced from the Maxhamish field Chinkeh ‘A’ pool may be reinjected into this pool via the following wells and intervals

Bench Creek Res Maxhamish a-53-J/94-O-11 (WA 10246), 1480-1485.6 mKB
Bench Creek Res Maxhamish b-22-J/94-O-11 (WA 10869), 1465.5-1469.5 mKB
Bench Creek Res Maxhamish c-55-J/94-O-11 (WA 11208), 1548.5-1549.5 mKB
Bench Creek Res Maxhamish c-51-J/94-O-11 (WA 11224), 1404.5-1406.5 mKB
Bench Creek Res Maxhamish c-32-J/94-O-11 (WA 11261), 1456.5-1458 mKB
Bench Creek Res Maxhamish d-36-J/94-O-11 (WA 11618), 1580.5-1582.5 mKB
Bench Creek Res Maxhamish d-34-J/94-O-11 (WA 11619), 1522-1524 mKB
Bench Creek Res Maxhamish d-25-J/94-O-11 (WA 13298), 1537.5-1540.5 mKB
Bench Creek Res Maxhamish d-45-J/94-O-11 (WA 13492), 1542-1544 mKB
Bench Creek Res HZ Maxhamish c-56-J/94-O-11 (WA 15321), 1708-2724 mKB
Bench Creek Res HZ Maxhamish c-A56-J/94-O-11 (WA 15324),
Drilling Event 1 - 1705-2605 mKB
Drilling Event 2 - 2166.5-2210 mKB

- d) Not exceed an injection pressure, measured at the wellhead of 5,000 kPag for the wells listed in c), or the pressure required to fracture the formation, whichever is lesser.
- e) Continually measure and record the wellhead tubing and casing pressures electronically for wells listed in (c).
- f) Cease injection for the well listed in (c) and notify the Regulator at Reservoir@bc-er.ca immediately if there is any indication that hydraulic isolation is lost in the wellbore or formation.
- g) Conduct annual Surface Casing Vent Flow tests on the wells listed in (c) and submit to the Regulator within 30 days of the completion of the test.
- h) Not exceed an average pool pressure of 8,575 kPaa measured at 913 meters subsea.
- i) Injection must cease upon termination of production from the pool.
- j) This order expires on November 30th, 2025, unless amended by the Regulator.



Richard Slocomb, M.A.Sc., P.Eng., C.Dir.
Vice President, Well & Energy Resource Stewardship
BC Energy Regulator

DATED AT the City of Victoria, in the Province of British Columbia, this 27th day of June 2025.



ORDER 24-13-001 Amendment #1 - OTN

- 1 Under Section 65.1(2) of the Petroleum and Natural Gas Act, Other Than Normal Spacing is approved in the Maxhamish field – Chinkeh 'A' pool within the following area;

NTS 94-O-6 Block J - units 20, 30, 38-40, 48-50, 56-60, 66-70, 76-80, 86-90, 96-100
Block K - units 11-19, 21-29, 31-39, 41-49, 51-59, 61-69, 71-100
Block L - units 71, 81, 91

94-O-11 Block B - units 6-10, 14-20, 24-30, 34-40, 44-50, 54-60, 64-70, 72-80, 82-90, 92-100
Block C - units 1-75, 81-85, 91-93
Block D - units 1, 11, 21, 31, 41, 51, 61
Block F - units 1-3, 11-15, 21-25, 31-35, 41-45, 51-55, 61-65, 71-77, 81-87, 91-97
Block G - units 2-100
Block H - units 20, 30, 40, 50, 60, 70, 80, 90, 100
Block I - units 10, 20, 30, 40, 50, 58-60, 68-70, 78-80, 88-90, 98-100
Block J - units 1-100
Block K - units 1-7, 11-17, 21-27, 31, 41, 51-53, 61-63, 71-75, 81-85, 91, 94-97

94-O-14 Block A - units 8-10, 18-20, 26-30, 36-40, 46-50, 56-60, 66-70, 76-80, 86-90, 96-100
Block B - units 1-39, 41-49, 51-59, 61-69, 71-79, 81-89, 91-98
Block C – units 1, 4-7, 11, 21
Block G - units 1-8, 11-18, 21-28, 31-37, 41-47, 51-57, 61-67, 71-75, 81-85, 91-95
Block H - units 6-10, 18-20, 28-30, 38-40, 48-50, 58-60, 68-70, 78-80, 88-90, 98-100
Block I - units 8-10 and
Block J - units 1-5.

- 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) the target area for a gas well completed within the project area is not nearer than 250 m to the sides of the Other Than Normal Spacing area,
 - c) an oil or gas well completed outside the target area specified in paragraphs (a) and (b) respectively, may be subject to an off-target production penalty,
 - d) oil and gas wells drilled within the specified project area are not subject to spacing requirements.
 - e) This order expires on November 30th, 2025, unless amended by the Regulator.

Richard Slocomb, M.A.Sc., P.Eng., C.Dir.
Vice President, Well & Energy Resource Stewardship
BC Energy Regulator

DATED AT the City of Victoria, in the Province of British Columbia, this 27th day of June 2025.