

October 26, 2022

9022-5000-32640-60

Sana Khokhar, P. Eng
Reservoir Engineer
Montney Implementation Team
ConocoPhillips Canada
PO Box 130, Station M
401 – 9 Avenue SW
Calgary, AB T2P 2H7

Dear Ms. Khokhar,

**RE: OBSERVATION WELL DESIGNATION APPROVAL
COP INGA NORTH D-002-K/094-A-12 (WA# 38567)
NORTHERN MONTNEY – MONTNEY ‘A’ POOL**

BC Oil and Gas Commission (Commission) staff have reviewed the June 1, 2022, application from ConocoPhillips Canada (ConocoPhillips) seeking observation well designation for COP INGA NORTH D-002-K/094-A-12 (WA# 38567).

The Drilling and Production Regulation Part 1 defines an observation well as “a well or a portion of a well designated as an observation well under section 2 (7)”.

- 2 (7) An official may designate a well as an observation well if
- (a) the well is being used to monitor reservoir pressures or to obtain other formation information, and
 - (b) the well is not used to produce from, or inject or dispose of fluids into, a formation being monitored.

The subject well was drilled vertically in 2021 and the Montney formation completed for the purpose of monitoring the reservoir and offset hydraulic fracturing activities. There are currently nine pressure gauges mounted on the casing which are used to measure the formation pressures through perforations.

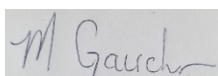
Approval of observation status is granted for COP INGA NORTH D-002-K/094-A-12 (WA# 38567), for the Montney formation, with the following requirement:

- Submit streamed pressure data, in 5 min intervals from each gauge for a six (6) month period from data of any offsetting frac operation including analysis of Frac Driven Interactions (FDI's) and stress shadowing of potential deformation to well casing integrity.
- Collect an annual reservoir pressure measurement reporting that is determined by an average of all gauges within the Montney formation (Montney top considered to be at 1903.0 mTVD) and submit by TRGS.PDF to the Commission within thirty (30) days of the measurement.
- Conduct a SCVF test, in accordance with section 9.7.3 of the Oil and Gas Activity Operations Manual V1.35, annually, starting in 2023. Submit to the Commission within sixty (60) days of testing.

Any additional reservoir pressure tests conducted must also be submitted to the Commission as per sections 73(3) and 73(4) of the Drilling and Production Regulation.

Should you have any questions, please contact Terence Tkatchuk at (250) 980-6057 or the undersigned at (250) 419-4482.

Sincerely,



Michelle Gaucher, P. Eng.
Senior Reservoir Engineer, Reservoir Engineering
Oil and Gas Commission