



Pauline de Jong
Regulator
Office of the Regulator of Oil and Gas Operations
PO Box 1320, Yellowknife, NWT X1A 2L9

June 15, 2023

Dear Pauline de Jong:

Re: Information Request No. 2, South Pointed Mountain L-68 Well Abandonment (ACW-2021-PPR-L-68-WID1207) – Prairie Provident Resources

Please find attached the requested information and subsequent documentation in support of the proposed abandonment program that will satisfy a variance of section 6A of the Well Suspension and Abandonment Guidelines and Interpretation Notes which is a furtherance from my reply to IR #1 dated June 2, 2023. It should be noted that the handwritten notes on the subsequent Figures are from Tristan Eshuis, P. Geol., Prairie Provident Resources.

Background:

Gas Analysis:

Prairie Provident Resources Geologist Tristan Eshuis has provided subsequent information on the Gas Analysis of the sample taken from the SCVF and analyzed in late 2020. Figure 1 below shows the extended gas analysis of the sample indicating the majority of the sample (98.58%) is C₁, which is considered a dry gas.



EXTENDED GAS ANALYSIS

V0012687 - 1 N1207 52134-2020-6734
CONTAINER IDENTITY METER ID WELL LICENSE NUMBER LABORATORY FILE NUMBER

Prairie Provident Resources Canada Ltd. 1
OPERATOR PAGE

L-68-60-20-123-45-2K L-68-60-20-123-45-2K-02 Prairie Resources
LOCATION (UWI) WELL NAME NO ELEV (m) GR ELEV (m)

FIELD OR AREA POOL OR ZONE SAMPLER

TEST TYPE AND NO. TEST RECOVERY
Surface Casing Vent

POINT OF SAMPLE SAMPLE POINT ID
PUMPING FLOWING GAS LIFT SWAB

WATER mWd OIL mWd GAS mWd

TEST INTERVAL or PERFS (meters)

SEPARATOR RESERVOIR OTHER CONTAINER WHEN SAMPLED CONTAINER WHEN RECEIVED SEPARATOR OTHER
10:50 hrs Pressures, kPa (gauge) 2020 12 07 2020 12 11 2020 12 15 JX 4.0
DATE SAMPLED (Y/M/D) DATE RECEIVED (Y/M/D) DATE ANALYZED (Y/M/D) ANALYST AMT. AND TYPE CUSHION MUD RESISTIVITY

COMPONENT	MOLE FRACTION AIR FREE AS RECEIVED	MOLE FRACTION AIR FREE ACID GAS FREE	REL. AIR FREE AS RECEIVED
H ₂	0.0000	0.0000	
He	0.0002	0.0002	
N ₂	0.0043	0.0043	
CO ₂	Trace	0.0000	
H ₂ S	0.0000	0.0000	
C ₁	0.9858	0.9858	
C ₂	0.0059	0.0059	21.0
C ₃	0.0022	0.0022	8.1
iC ₄	0.0005	0.0005	2.2
C ₄	0.0003	0.0003	1.3
iC ₆	0.0001	0.0001	0.5
C ₆	0.0001	0.0001	0.5
C ₆	0.0002	0.0002	1.1
C ₇₊	0.0004	0.0004	2.1
Total	1.0000	1.0000	38.8

CALCULATED GROSS HEATING VALUE MJ/m ³ @ 15°C & 101.325 kPa (abs.) 38.08		CALCULATED VAPOR PRESSURE kPa (abs.) @ 40 °C 53.1	
MOISTURE FREE		MOISTURE & ACID GAS FREE	
CALCULATED TOTAL SAMPLE PROPERTIES (AIR+1) @ 15°C & 101.325 kPa			
DENSITY		RELATIVE MOLECULAR MASS	
AS SAMPLED		ACID GAS FREE	
4592.1	191.8	4592.1	191.8
kg/m ³	kg	kg/m ³	kg
C ₇₊ PROPERTIES @ 15°C & 101.325 kPa		MOLE FRACTION	
749.5	91.7	0.000000	Laboratory Chromatograph
kg/m ³	kg		
DENSITY		MOLECULAR WEIGHT	
		HYDROGEN SULPHIDE	

REMARKS:
Field sampling pressure was not available.

Dry gas ie. low C2+

NOTE: THE GROSS HEATING VALUE HAS BEEN CALCULATED IN ACCORDANCE TO AGA REPORT #8 AND ALL PROPERTIES HAVE BEEN CALCULATED UTILIZING PHYSICAL CONSTANTS AND BOILING POINT GROUPING.



Figure 2 below shows the Carbon Isotope Analysis performed off the same sample dated early 2021. Dr. Muehlenbachs stated this sample is typical of the Nahani, which can be true, but a dry gas can also be typical of other formations as well. The C₁ reading of -28.04 does indicate a Thermogenic sample as it is over the cutoff of -26, however shallower zones can also contain dry gas with thermogenic readings greater than -26 and Vitrinite Reflectance (R_o) values around 1.2% to 1.4%.

Vitrinite Reflectance can be defined as “as measurement of the maturity of organic matter with respect to whether it has generated hydrocarbons or could be an effective source rock”. The measurement is given in units of relectance, %R_o, with typical values ranging from 0%R_o to 3%R_o.

Side Note: Carbon Isotope Analysis currently is taking ~30 days to complete at Core Lab.



COMPANY	Prairie Provident Resources Canada Ltd.	PAGE	1
SAMPLE	L-68-60-20-123-45-2k-02	FILE	202006734
PROJECT	Carbon Isotope Analysis	DATE	6-Jan-21

Introduction

A Gas sample from L-68-60-20-123-45-2K-02 was received at Core Lab Calgary as described below. The sample was analyzed for composition to C7+ (on separate report) and then undergone Carbon Isotope Analysis.

Sample Description

Sample:	L-68-60-20-123-45-2K-02	Date Sampled:	07-Dec-20 @ 10:50 Hrs
Sample Point:	Surface Casing Vent	Date Received:	11-Dec-20
Location:	L-68-60-20-123-45-2K-02	Date Analyzed:	02-Jan-21

Results

Carbon Isotope Analysis*

Sample ID	Sample Point	$\delta^{13}C_{C_1}$	$\delta^{13}C_{C_2}$	$\delta^{13}C_{C_3}$	$\delta^{13}C_{i-C_4}$	$\delta^{13}C_{i-C_5}$	$\delta^{13}C_{n-C_5}$
L-68-60-20-123-45-2K-02	Surface Casing Vent	-28.04	-29.84	-24.45	-25.07	-23.51	-24.48

This is a deep overmature thermogenic gas, typical of the Nahani.

+ typical of shallower zones also in dry gas windows of Ro > 1.2 to 1.4.
-26 → Thermogenic

*Carbon Isotope Analysis and interpretation were performed by Dr. Karlis Muehlenbachs; IISOKM Geochemical Consultants Ltd.



Figure 3 shows a table of the shale gas reservoir attributes taken from the Application for Commercial Discovery Declarations which was used to secure the license for L-68. The highlighted section notes R_o values for the Exshaw and deeper formations to be 1.39% – 2.66%, which is outside of the window of the gas analysis in Figure 2 of 1.2% - 1.4%.

Table 2 : Shale Gas Reservoir Attributes for Liard Basin Based on L-68

Parameters	Desired Data Range	Exshaw	Status	Horn River (Muskwa/Otter/Evie)	Status
Depth (m)	Shallowest Depth in Dry Gas Window	3309-3408		2700-3900	
Gross Thickness (m)	>30 m	100-140	✓	50-70/120-150/60-200	✓
Reservoir Pressure Gradient (kPa/m)	>9.8 kPa/m (over-pressured)	11.7	✓	11/7	✓
Thermal Maturity	Dry Gas Window > 1.4 R_o	1.39-2.50	✓	1.53-2.66	✓
Porosity	>3-5% Gas Filled Porosity	4.3-7.1%	✓	8.5%/13.8%/8.6%	✓
TOC	>1% Cuttings TOC	3.58	✓	2.49/3.03/3.05	✓
Mineralogy	>40% Total Quartz and/or Carbonates, < 30% Clays	Ave. 59Q, Ave. 24C	✓	Ave. 58Q, Ave 29C	✓
Young's Modulus	>3.0 MMPSIA	ND		ND	
Poisson's Ratio	<0.25	ND		ND	
Stress	<2000 psi Net Lateral Stress	ND		ND	
Seals	Fractures Barriers Present		✓		✓
Shows	High Gas Reading/Production		✓		✓
OGIP	>100 Bcf/section	170	✓	125/445/318	✓



Figure 4 shows a table with varying depths and corresponding R_o values, in the highlighted row. The Meas. % R_o is near the middle columns and clearly shows a depth of 1880 m to 1890 m with a value of 1.35%, which falls behind the 244.5 mm Production Casing, which requires a bond log to understand the cement competency. At a depth of 3350 m (Exshaw Perforations) the R_o value is 2.00% and only increases with depth in the wellbore to 4115 m which is in the Nahanni formation and shows a R_o value of 2.66%, which clearly means the gas sample from the SCVF cannot be the Nahanni formation. The gas in the SCVF is certainly coming from somewhere behind the production casing. This correlates with the issues observed during the production casing cement job as during the second stage, cement was not seen at surface after pumping.

Table 4: L-68 TOC, Pyrolysis & Vitrinite Reflectance Analysis

Client ID	Depth (m)		Formation	TOC	SRA			Tmax (°C)	**	Meas. % R_o	III	OI	S2/S3	S1/T OC*1	PI	Notes	
	Top	Bottom			S1	S2	S3									Checks	Pyrogram
1	1880	1890	Flett	0.96	0.15	0.81	0.27	433		1.35	84	28	3	16	0.16	SRA TOC	n
2	1970	1980	Flett	0.69	0.12	0.49	0.21	433	**		71	31	2	17	0.20		n
3	2110	2120	UBR	1.21	0.22	1.32	0.26	433			109	21	5	18	0.14	SRA	n
4	2200	2210	UBR	1.08	0.13	0.87	0.33	432			81	31	3	12	0.13		n
5	2255	2265	UBR	0.81	0.13	0.38	0.27	432	**	1.44	47	33	1	16	0.25		n
6	2335	2345	UBR	1.02	0.21	0.60	0.31	432			59	31	2	21	0.26	TOC	n
7	2430	2440	UBR	1.44	0.21	0.44	0.48	429	**		31	33	1	15	0.32	TOC	n
8	2495	2505	UBR	1.08	0.15	0.30	0.29	427	**		28	27	1	14	0.33		n
9	2605	2615	UBR	2.17	0.23	0.26	0.17	425	**	1.55	12	8	2	11	0.47	SRA TOC	n Its2sh
10	2720	2730	UBR	1.52	0.13	0.43	0.48	429	**		28	32	1	9	0.23		n
11	2820	2830	UBR	0.90	0.19	0.39	0.31	422	**		44	35	1	21	0.33	TOC	n Its2p
12	2945	2955	UBR	0.81	0.66	2.26	0.18	426			279	22	13	81	0.23	SRA TOC	n Its2sh
13	3060	3070	UBR	0.79	0.60	1.85	0.27	427			234	34	7	76	0.24	SRA TOC	n Its2sh
14	3230	3240	UBR	1.25	0.10	0.15	0.16	422	**	1.77	12	13	1	8	0.40	SRA	n Its2sh
15	3270	3280	UBR	1.80	0.26	0.87	0.15	428			48	8	6	14	0.23	TOC	n Its2sh
16	3360	3370	Exshaw	3.66	0.17	0.24	0.20	413	**	2.00	7	5	1	5	0.41	SRA TOC	f
17	3390	3400	Exshaw	3.50	0.23	0.41	0.28	414	**		12	8	1	7	0.36		n Its2sh
18	3430	3440	M BR	1.47	0.18	0.33	0.21	417	**		22	14	2	12	0.35		n Its2sh
19	3735	3745	M BR	0.96	0.57	1.32	0.22	423		2.58	138	23	6	60	0.30	SRA TOC	n Its2sh
20	3775	3785	HRS (musk)	2.86	0.54	1.13	0.27	411			39	9	4	19	0.32	TOC	n Its2sh
21	3815	3825	HRS (musk)	2.11	0.33	0.72	0.25	412			34	12	3	16	0.31	SRA	n Its2sh
22	3855	3865	HRS (OP)	2.05	0.31	0.51	0.21	405			25	10	2	15	0.38	SRA TOC	n Its2sh
23	3975	3985	HRS (OP)	3.47	1.25	2.70	0.36	425			78	10	8	36	0.32	SRA	n Its2sh
24	3935	3945	HRS (OP)	4.10	0.31	0.54	0.31	410		2.69	13	8	2	8	0.36	TOC	n Its2sh
25	4015	4025	HRS (OP)	2.49	0.34	0.49	0.26	408	**		20	10	2	14	0.41		n Its2sh
26	4035	4045	HRS (evi)	3.10	0.42	0.56	0.25	398			18	8	2	14	0.43		n Its2sh
27	4075	4085	HRS (evi)	3.25	0.33	0.50	0.21	418			15	6	2	10	0.40		n Its2sh
28	4115	4125	HRS (evi)	2.79	0.26	0.48	0.26	416	**	2.66	17	9	2	9	0.35	SRA TOC	n Its2sh

** low S2, Tmax unreliable
 RO Measurement
 X X - Measured on Vitrinite
 X X - Translation to Vitrinite Reflectance using Jacobi's equation, measured on Pyrobitumen

→ Samples are in the Dry Gas Window
 Higher TOC in Exshaw and Lower Besa River

In summary, the gas contained in the SCVF sample cannot be from the Nahani, due to the low R_o value of the gas. The R_o value indicates the gas to be from somewhere behind the Production Casing. The Nahani is behind the 177.8 mm Liner which was cemented full length and had 2.3 m³ of cement returns. Additionally, the Liner had a Bond Log performed which indicated excellent bond throughout the length of the 177.8 mm Liner, which was verified by experts at Encore Wireline.

The 244.5 mm Production Casing requires a bond log to determine where the top of cement is, as during the second stage of the two stage production cement job, cement returns were not seen at surface. This factor combined with the R_o value of the gas sample indicates the gas is coming from behind the 244.5 mm Production Casing.



Retainer Cement Program:

A cement program has been completed by Stingray well solutions which is shown below. This cement program shows the volume of the cement required to perform the cement retainer squeeze to be 16.6T. Stingray calculates the required fluid volume by taking the Liner Volume (this can be considered an excess factor) and the volume required to be placed on top of the cement retainer:

Volume of cement below retainer inside 177.8 mm, 38.7 kg/m casing:

Casing Capacity = 0.0199589 m³/m

3953 m (deepest perforation) - 3341 m (retainer depth) = 612 m = 12.2 m³

Volume of cement above retainer:

Casing Capacity = 0.0199589 m³/m

15 m (0.30 m³) on top of the retainer

Volume Total = 12.2 m³ + 0.3 m³ = 12.5 m³ / 0.751 m³/tonne = **16.6 T**

The actual volume of cement when taking into account the 114.3 mm tie back string in the 177.8 mm liner is:

Volume above Cement Retainer

Casing Capacity = 0.0199589 m³/m

15 m = 0.30 m³

Packer 1 to Packer 2 Volume

Annular Capacity = 0.0097 m³/m

3389.8 m - 3313 m = 76.8 m = 0.74 m³

Packer 3 to Packer 4

Annular Capacity = 0.0097 m³/m

3862 - 3406 m = 456 m = 4.23 m³

Packer to Bottom Muskwa Perforations

Liner Capacity = 0.02 m³/m

3953 m - 3862 = 91 m = 1.82 m³

Cement Retainer to End of 114.3 mm Tie Back

Tie Back Capacity = 0.0074 m³/m

3899 - 3341 m = 558 m = 4.13 m³

Total Volume = 11.22 m³ / 0.751 m³/tonne = **14.9 T**

By calculating the cement volume on the higher volume, this will count as excess and ensure there is more than an adequate amount of cement to cover the proposed interval.



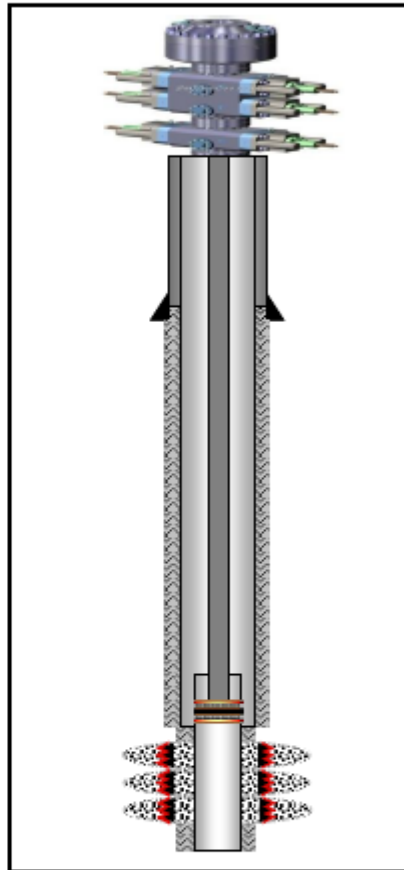
Retainer Cement Squeeze - Data
Yellowstone Resources, Inc.
CPOL LT LIARD L-68-60-20-123-45



Job Objective: To perform a retainer squeeze on multiple perforations from 3351 - 3953 m for abandonment purposes.

Wellbore Information:

Surface Casing: 339.7 mm, 107.15 Kg/m (500-95), set at 1424 m
 Prod/Int. OH Csg: 244.5 mm, 64.74 Kg/m (500-95), set at 3297 m
 Liner Casing: 177.8 mm, 38.7 Kg/m (500-95), from 3244 - 4130 m
 Tubing: 73 mm, 9.673 Kg/m
 Tubing Depth: 3341mMD (3341 mTVD)
 Retainer at: 3341 mMD
 Est. Feed Rate: 500 L/min @ 30000 KPa
 Wellbore Fluid: Fresh Water at 1000 Kg/m³
 BHCT / BHST: 127 degC / 127 degC (Customer Supplied)



Perforations 3351 m to 3370 m (Exshaw)
 Perforations 3784 m to 3810 m (Upper Muskwa)
 Perforations 3935 m to 3953 m (Lower Muskwa)

Surf Csg cap: 0.0772 m³/m
 Prod Csg cap: 0.0388 m³/m
 Tubing cap: 0.003 m³/m
 Liner cap: 0.0199589 m³/m

Surf/Prod Csg cap: 0.0302 m³/m
 Tbg/Prod cap: 0.0346 m³/m
 Prod/Liner cap: 0.0140 m³/m

Comments: Verify all parameters on location. Tubing is 60.3 mm inside 177.3 mm Liner, and 73 mm from Liner to Surface.

Cement Information:

Blend #1	Thermal 40 G + 1 % SMS + 1 % SCFR-2 + 2 % HTR + 1 % SFL-3			
	Density:	1876 Kg/m ³	Fluid Loss:	30 cc/30min
	Yield:	0.751 m ³ /tonne	Free Water:	0% @ Vertical
	Water:	0.416 m ³ /tonne	TT40 / TT70:	4:48 hrs. / 5:00 hrs. @ 127 degC
	AER Code:	30		
	Source of Lab Information: Tested using field water and cement samples			B #1 Volume: 12.4 m ³ Cement: 16.5 tonnes Mix Water: 6.9 m ³
				Total Blend 1 = 16.5 tonnes



Liner & Formation Isolation:

Isolation of the 177.8 mm Liner along with the Exshaw and Muskwa formations will occur in several ways:

- The annulus of the 177.8 mm Liner and the 216 mm hole is cemented with a very competent cement bond from 3990 m (depth of log) to the Liner Top at 3244 m as per L-68 Bond Log Interpretation from Encore Dataline who performed the Bond Log and are experts in their field.
 - The Exshaw and Muskwa formation are isolated on the annular side of the Liner
- The cement retainer will be set at ~3341 m (and pressured tested) which is 10 m above the Exshaw formation. An injectivity test will be performed prior to cementing.
 - The expected injection rate is 0.5 m³/min at 30,000 kPa
 - During the 2011 Completions Activity, 1420 m³ of Produced Water was injected into these formations which gives high confidence the formations will take fluid.
 - On 10/7/2011 a Production Spinner Log was run by Boreal Wireline while the well was flowing to attempt to determine how much flow was coming from either zone (Exshaw and Muskwa). The results show clearly that the bulk of the production was coming from the Upper Muskwa which indicates a higher porosity and permeability.
 - The above bullet points all indicate that the Muskwa will be the dominant formation to accept fluid and cement therefore creating internal isolation of the formation in the 114.3 mm tie back string.
 - Once cementing through the cement retainer at 3341 m, the tubing will be stung out and a cement cap of 15 m will be left on top of the retainer. This will create another impermeable barrier within the 114.3 mm tie back string
 - Once the 139.7 mm tie back string is pulled from the wellbore out of the liner top hanger at 3217 m, a 244.5 mm cast iron bridge plug will be run and set ~3205 m, which is 12 m above the liner top. This plug will be successfully pressure tested and then a cap of 15 m of cement will be placed on top, which will fully isolate and abandon the 177.8 mm liner and all previously open perforations

Production Casing Isolation:

A bond log will be run on the 244.5 mm Production Casing from ~3190 m to surface. After interpretation, a plan will be made to perforate and perform retainer squeezes as necessary to remediate any production cement deficiencies to ensure cement to surface on the production casing.

Surface & Intermediate Casing Isolation:

As per drilling reports, both the surface and intermediate casing strings recorded cement returns to surface during the cement jobs.

Additional Relevant Information

As previously discussed in IR #1, the Production Spinner log that was completed on 10/7/2011 shows clearly the production was coming from the Muskwa perforations and very little production coming from the Exshaw perforations.

Combined with the previously completed Rock Analysis and Scanning Electron Microscope work completed, it is noted the permeability in the Muskwa formation is an order of magnitude larger than the permeability of the Exshaw formation. Also, the Exshaw reservoir pore throats are extremely tight, which means it will be difficult to squeeze much cement into the formation.

With the above three factors combined, the logical scenario is to set the cement retainer above the Exshaw and cement squeeze both zones together. This will allow the majority of the fluid to enter into the Muskwa while still



squeezing off the Exshaw which is unlikely to take much cement.

Safety is of the utmost concern while planning and completing these operations. It is expected that if all operations go as per plan, performing two retainer cement squeezes on the Muskwa and Exshaw formations will add a minimum of four days of operations (providing all operations go as per plan). These four days are an increase in operational exposure to the rig crew and support vendors (~20 people).

Included in performing two retainer squeezes is picking up a power swivel to mill out the frac ports. The power swivel is a heavier piece of equipment required to rotate the tubing string to mill out the frac ports. While power swivels are fairly common pieces of equipment, there is still an increase in safety exposure by lifting up the swivel to the rig floor and milling with it. By completing only one retainer squeeze, the need to drill out the frac ports is negated and there isn't a need to utilize the power swivel.

The calculated cost to perform two retainer squeezes is \$287,000 which will take four days to complete, assuming all operations go as per plan. The depth and temperature of this well can make operations more challenging and the chances of having operational issues increase. When operational issues arise, it increases the amount of time to complete an operation and also increases the safety exposure to the rig crew and service providers. This proposal is designed to meet the requirements of section 6A of the Well Suspension and Abandonment Guidelines and Interpretation Notes through a variance, while balancing concerns for reducing additional safety exposure and making this procedure cost effective.

I am available at any time to discuss IR #2 as there is a lot of information included.

Regards,

Jeremy Sadleir

Jeremy Sadleir, P.L. (Eng.)
Completions Engineer

