# Pelican Lake SAGD Pilot AER Approval 11469C

#### AER D054 Annual Update

January 1, 2015 – December 31, 2015





#### Disclaimer

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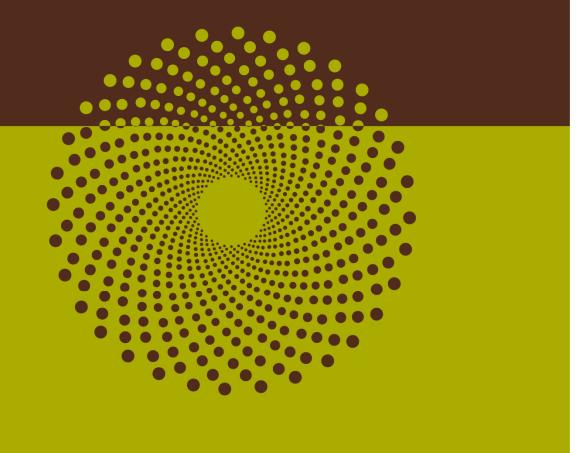
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## Agenda

- Project Overview
- Geological Overview
- Resource Recovery
- Facility Update
- Compliance

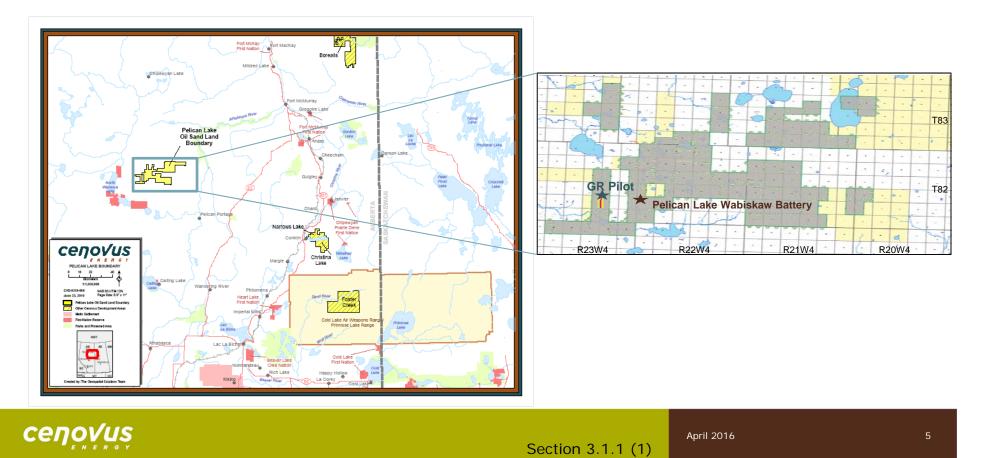


#### 1) Scheme Overview



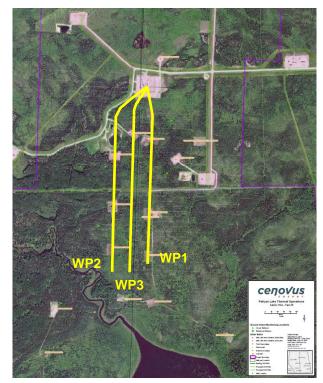


## Cenovus SAGD Pilot Lease



## Scheme Description & Overview

Base of Grand Rapids 'A'	357-363 m Subsea	
Average Gross Thickness	22 m	
Average SAGD Pay Thickness	18 m	
Average Porosity	36 %	
Average Water Saturation	44 % (Gross)	
	38 % (SAGD Pay Zone)	
Average Permeability	2.9 D	
OBIP (2015 Cenovus internal estimate)	45 MMbbl	
Drilled well pairs	3	
Source water well	1	
Disposal well	1	
Oil Viscosity	1,000,000 cp+	
Oil Gravity	7.5-8.5 API	
Initial Reservoir Pressure	1300 kPa	
Fracture Gradient	21.3 kPa/m	
Fracture Closure Pressure	4.75 MPa	

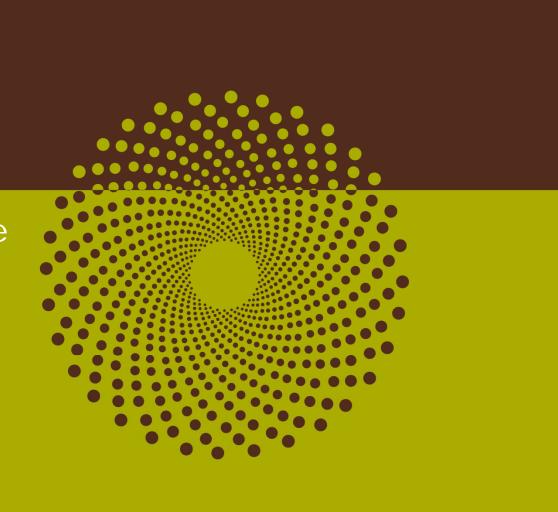


\* not to scale

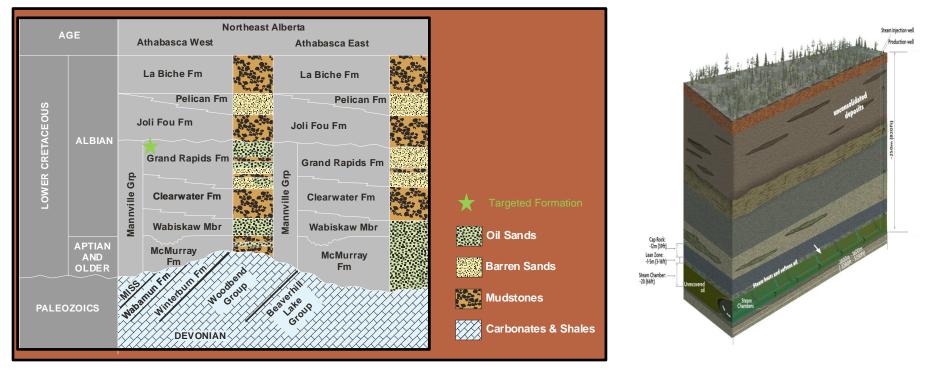


#### 2) Geology/Geoscience



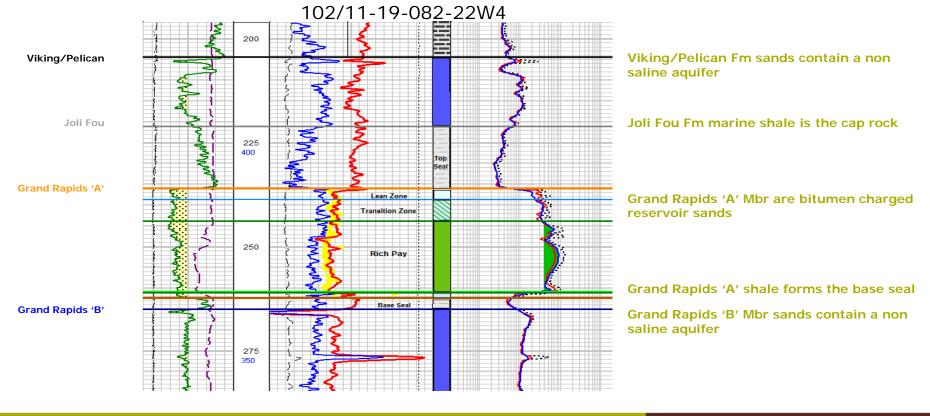


### Geology & Geoscience



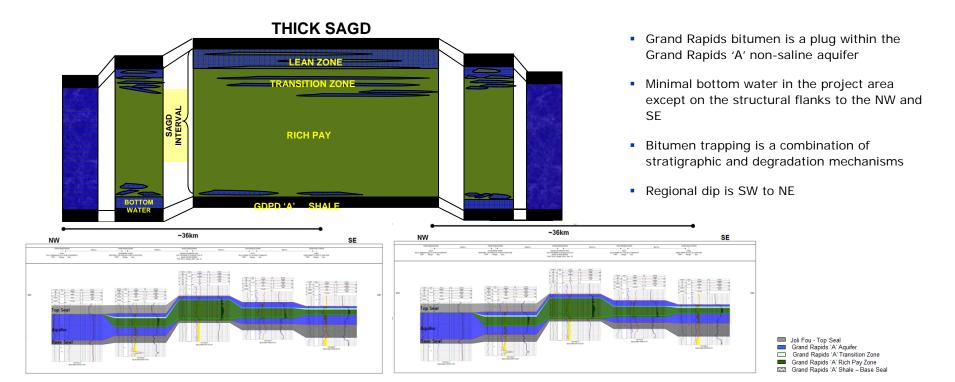








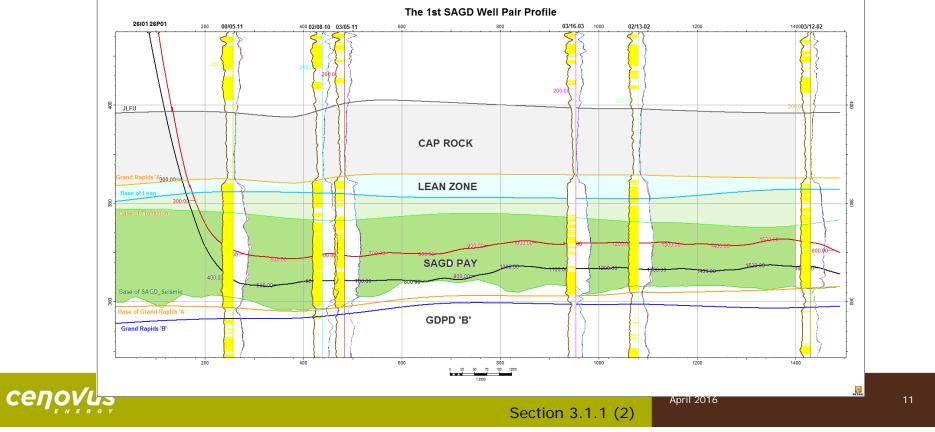
## **Bitumen Accumulation**





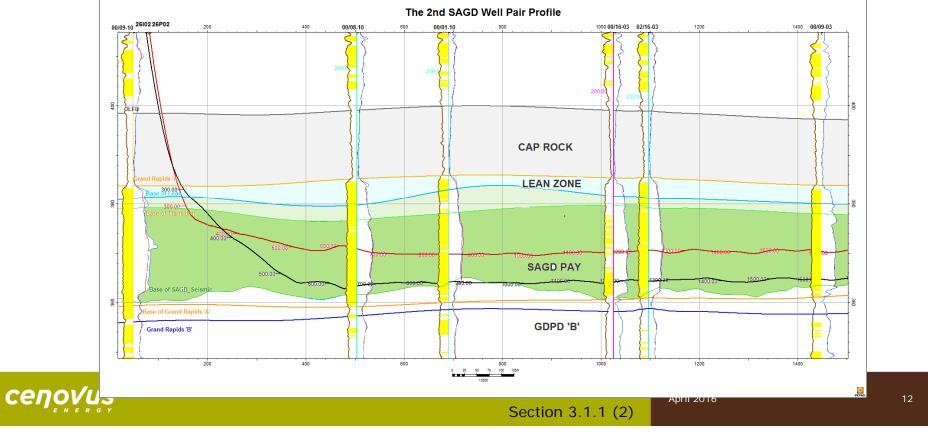
## Well Pair 1 Trajectories/Cross-Section

I01 UWI: 100/12-02-082-23W4 P01 UWI: 102/12-02-082-23W4



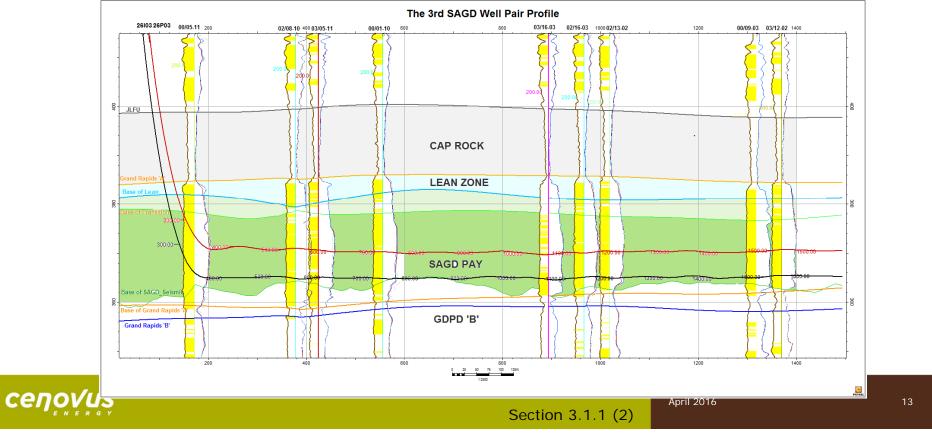
### Well Pair 2 Trajectories/Cross-Section

I02 UWI: 102/09-03-082-23W4 P02 UWI: 103/09-03-082-23W4



#### Well Pair 3 Trajectories/Cross-Section

IO3 UWI: 105/09-03-082-23W4, spud date February 5, 2015 PO3 UWI: 104/09-03-082-23W4, spud date January 26, 2015



## Surface Heave Monitoring (InSAR)

CR and CTM Annual Vertical Deformation Rate January 3, 2015 to December 29, 2015

Figure 1: CR and CTM annual vertical deformation rates at Pelican Lake. The deformation rate is calculated from January 3, 2015 to December 29, 2015.

Corner Reflector Vertical Deformation March 26, 2013 to December 29, 2015

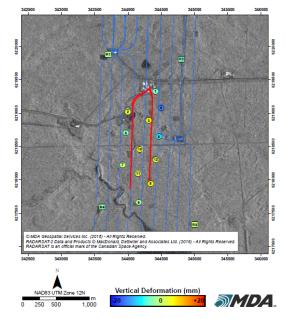
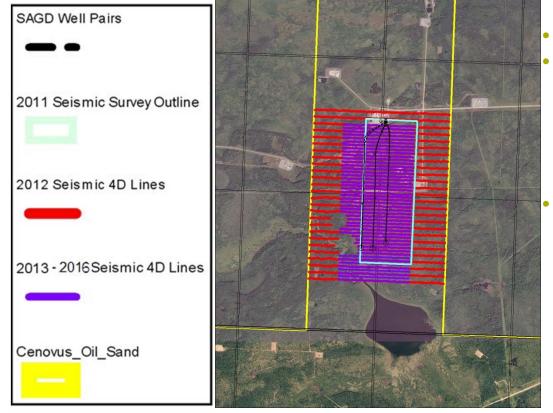


Figure 6: Cumulative corner reflector vertical deformation: March 26, 2013 to December 29, 2015.

- Since March 26, 2013 < 8 mm total vertical displacement observed
- 8 RADARSAT-2 scenes were acquired in 2015
- Measurements to December 29, 2015 do not indicate incremental displacement.
- Very little ground motion has been observed. Most of the Corner Reflectors are relatively stable since the beginning of the monitoring program.



## **4D Seismic Lines**



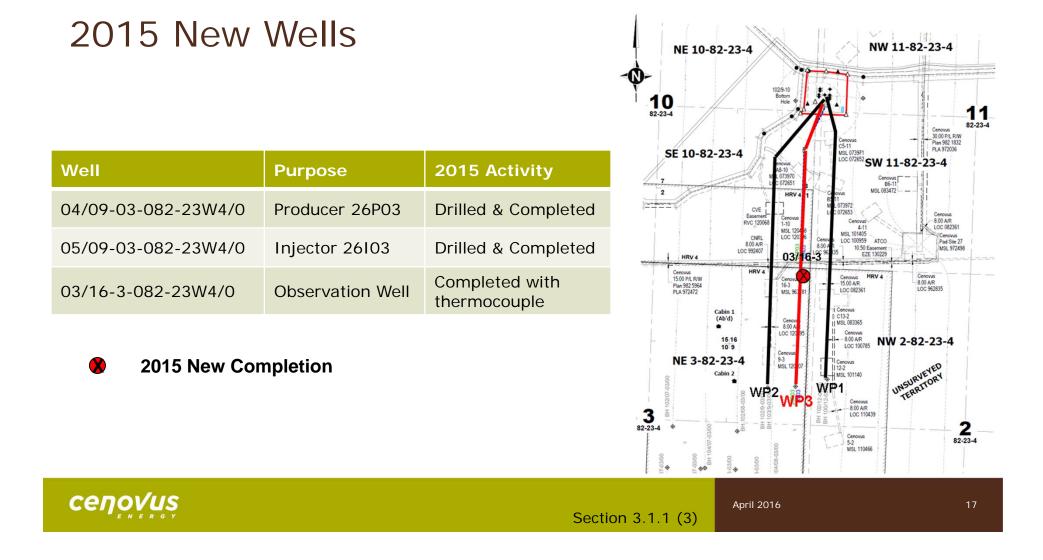
- Baseline 3D January 2011 4D Shoots:
  - 1st January 2012
  - 2nd March 2013
  - 3rd January 2014
  - 4th January 2015

4D seismic shows the areas of steam chamber development and connection to the lean zone

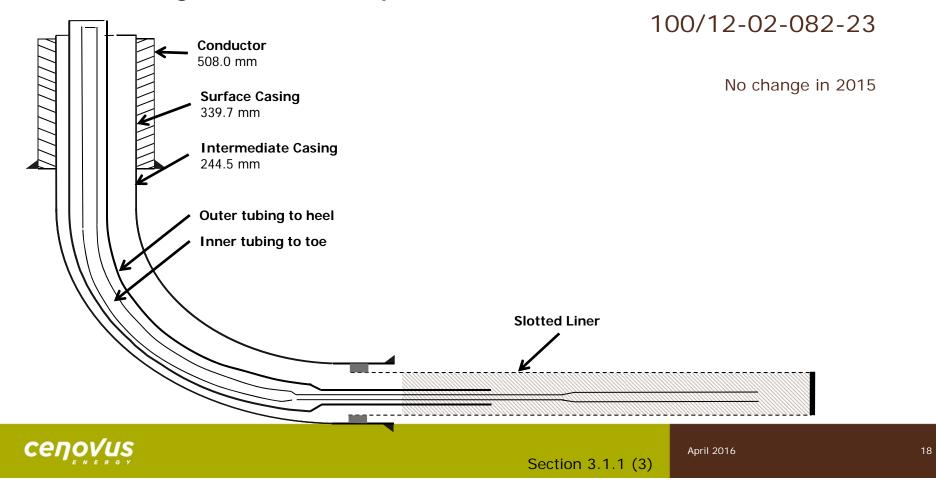


### 3) Drilling/Completions





### 26101 Injector Completion Schematic



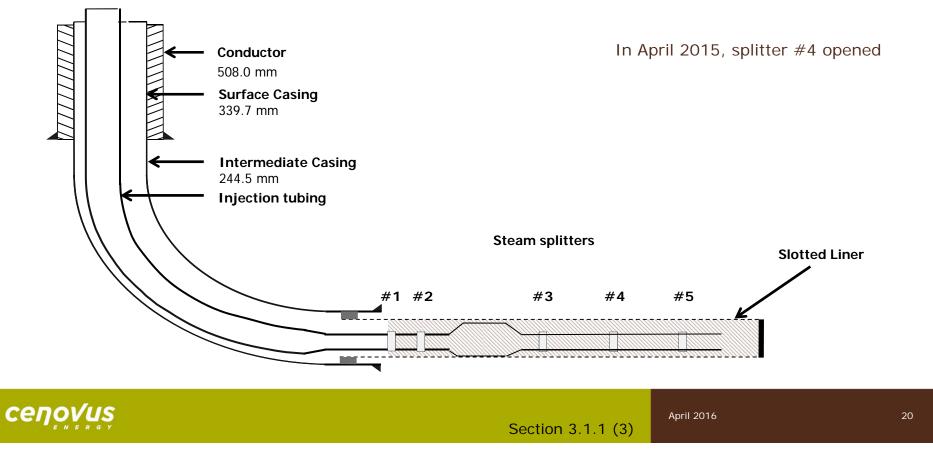
### 26P01 Producer Completion Schematic

102/12-02-082-23 Conductor 508.0 mm No change in 2015 Surface Casing 339.7 mm **Intermediate Casing** 244.5 mm **Bubble Tube** Fiber optic temperature string **Production Tubing** \*Producer perforated ESP **Slotted Liner** 

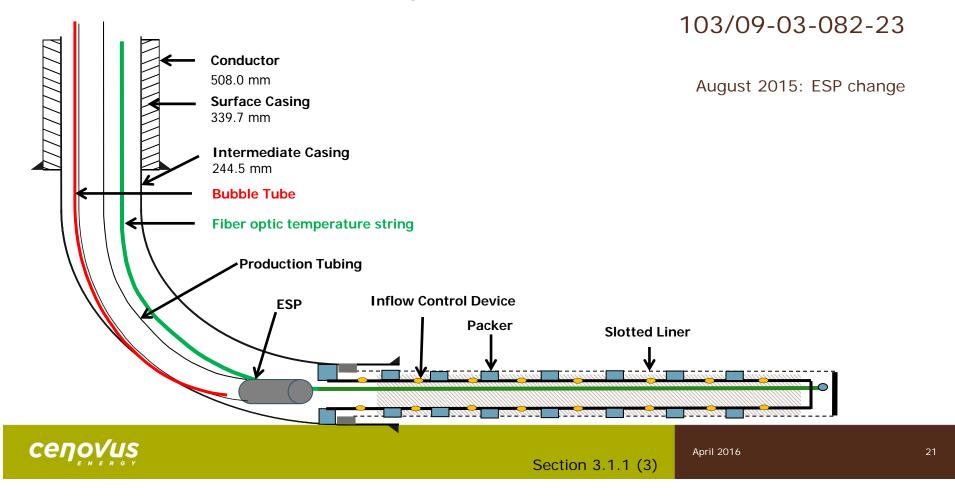


#### 26102 Injector Completion Schematic

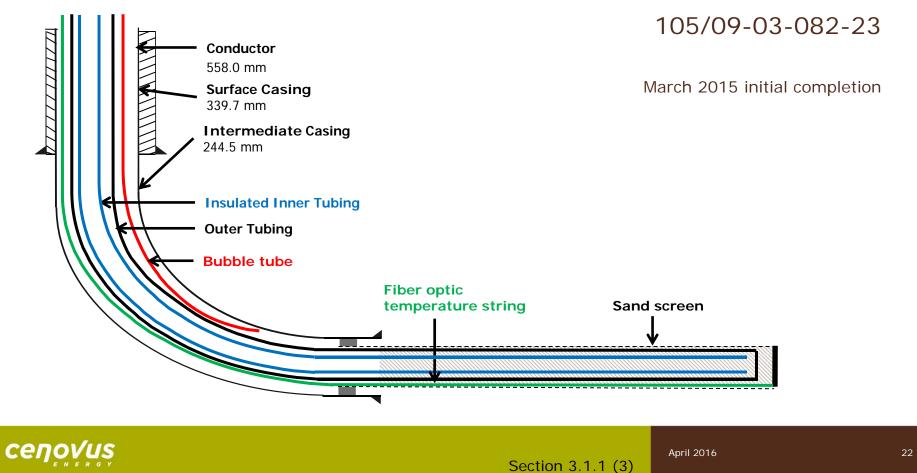
102/09-03-082-23W4



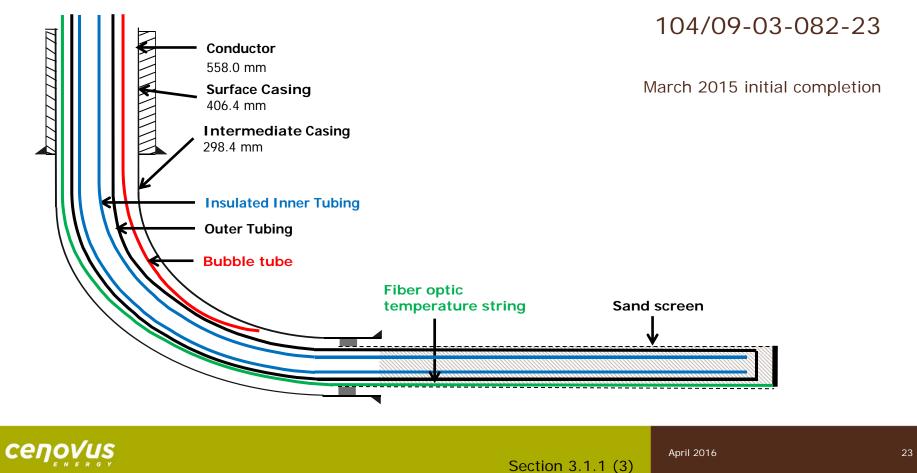
### 26P02 Producer Completion Schematic



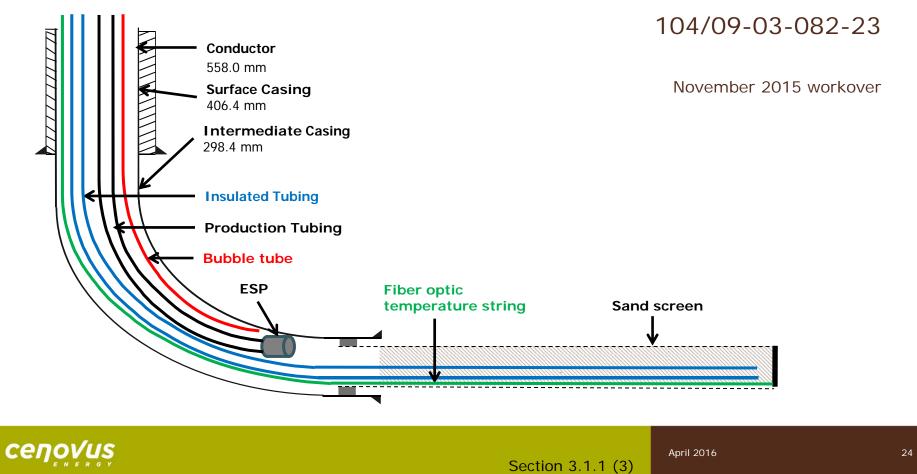
#### 26103 Injector Circulation Completion Schematic



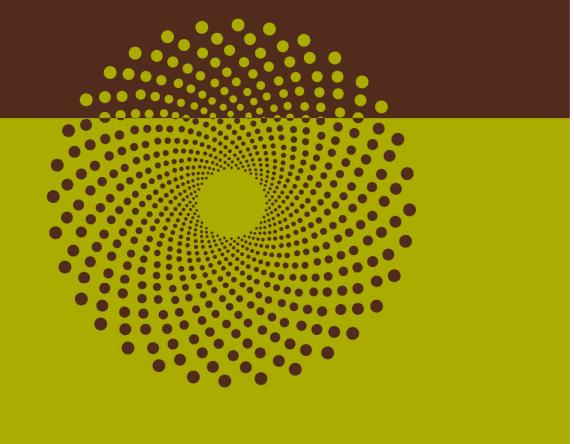
#### 26P03 Producer Circulation Completion Schematic



#### 26P03 Producer Initial SAGD Completion Schematic



## 4) Artificial Lift





## Artificial Lift – 26P01, 26P02, 26P03 SAGD

- All production and source wells use Electric Submersible Pumps (ESPs)
- <u>Pump Sizing Range</u>: 50-350 m<sup>3</sup>/d
- Intake Pump Pressure: 600-1200 kPag (P01, P02), 1,500-2,500 kPag (P03)
- Pump Control: Variable Frequency Drives (VFD)
- <u>Max Operating Temperature</u>: 218-250°C
- Limitations: Low pump efficiency under saturation conditions
- Performance monitoring: standard deviation of ESP amp draw, run life



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#### 5) Well Instrumentation

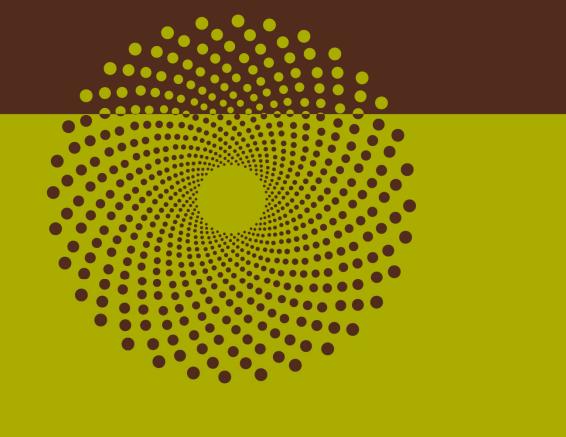


## Well Instrumentation

Well	Pressure	Temperature
26101	Casing annulus bubbler	None
26P01	Bubble tube	Fiber optic
26102	Casing annulus bubbler	None
26P02	Bubble tube	Fiber optic
26103	Bubble tube, Sensor at end of fiber	Fiber optic
26P03	Bubble tube, Sensor at end of fiber	Fiber optic
Observation Wells	Piezometer	Thermocouple



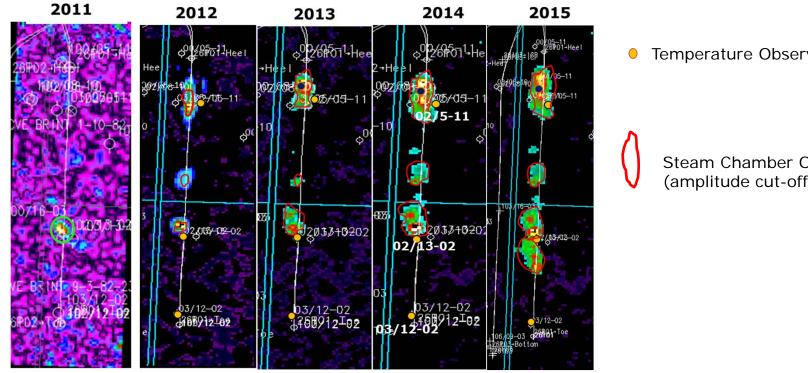
### 6) 4-D Seismic





### Well Pair 1: Steam Chamber in the Reservoir

Baseline



• Temperature Observation Well

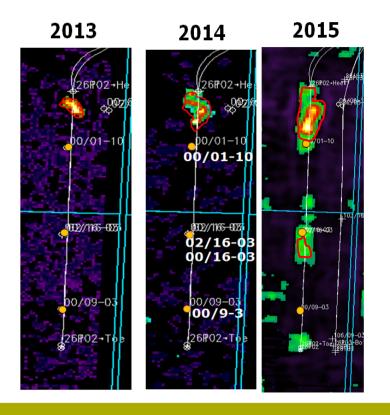
Steam Chamber Outline (amplitude cut-off)

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### Well Pair 2: Steam Chamber in the Reservoir



• Temperature Observation Well

Steam Chamber Outline (amplitude cut-off)

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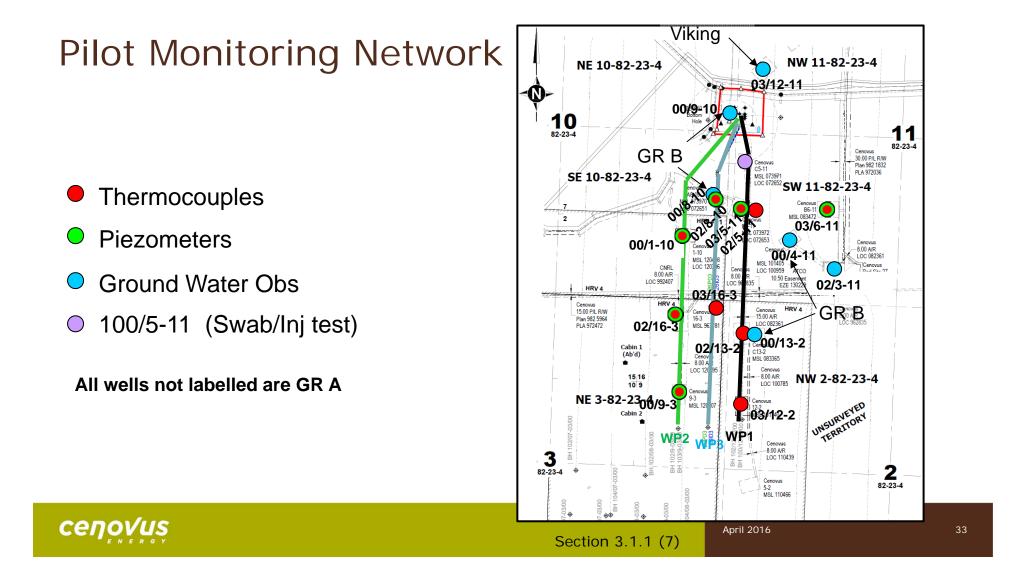
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7) Scheme Performance Well Pair 1



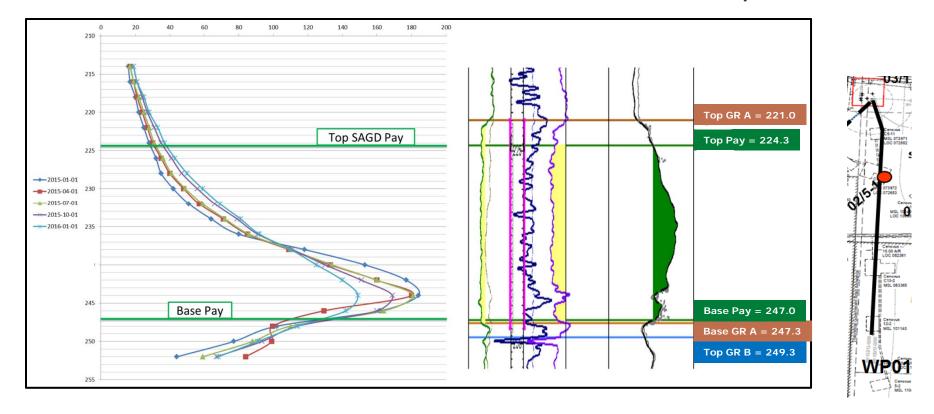


## Well Pair 1: 2015 Summary

- I01/P01 drawdowns were lower due to P01 perforation in Q4 2014 with no significant sand production issues
- Continued to improve thermal conformance
- Results from six day temperature fall-off in April 2015 (facility turnaround) for 26P01 shows steam chamber growth at the toe

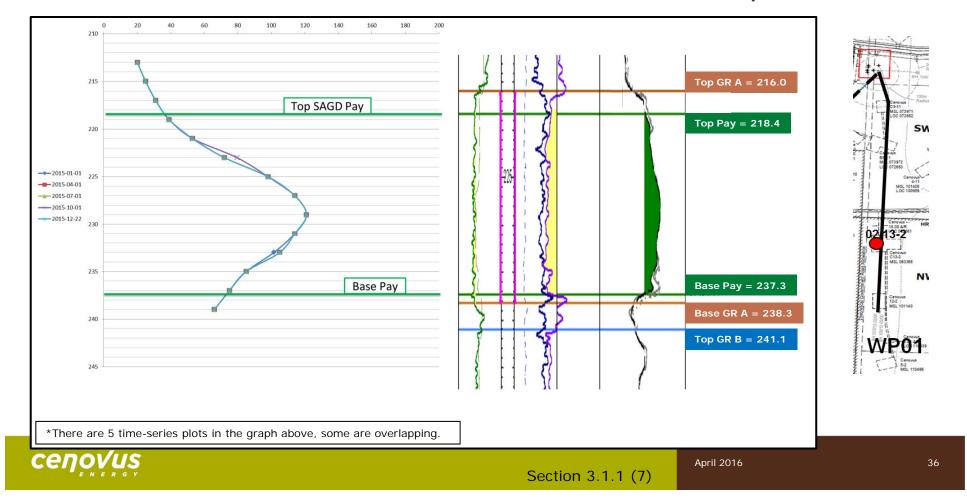


#### 102/05-11-082-23W4/0 Observation Well Temperature

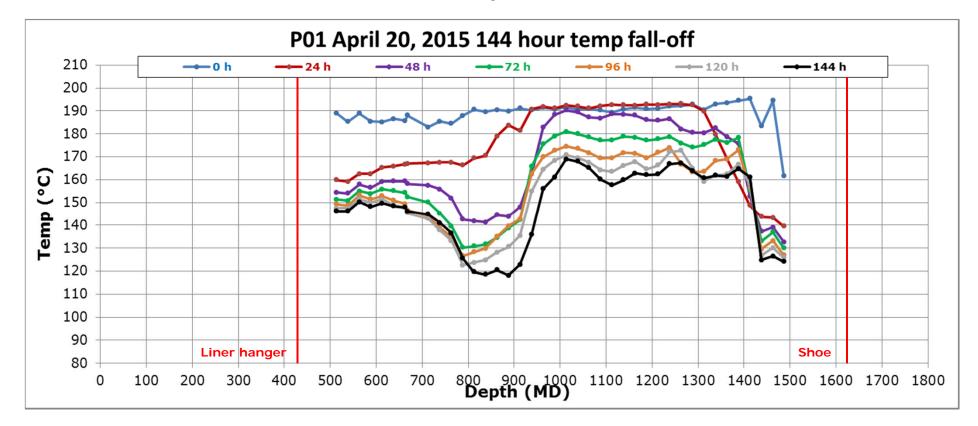




#### 102/13-02-082-23W4/0 Observation Well Temperature



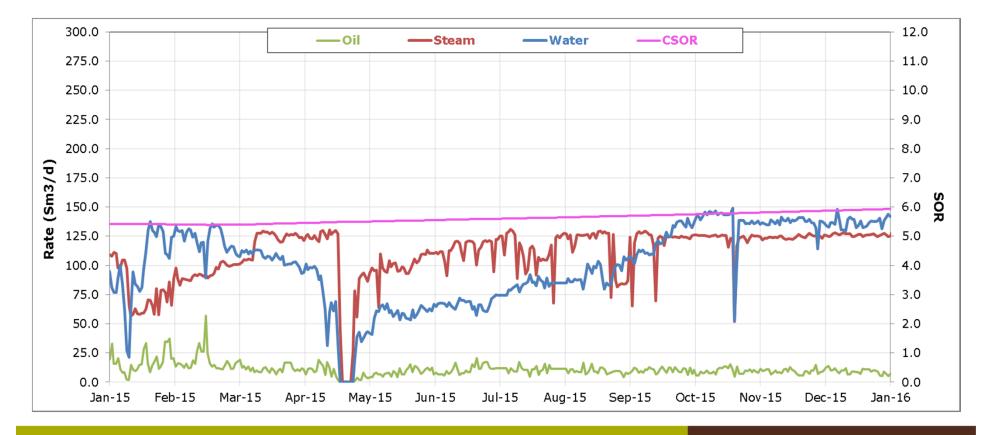
## Well Pair 1 Producer Temperature Profiles



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### Well Pair 1 Production



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7) Scheme Performance Well Pair 2

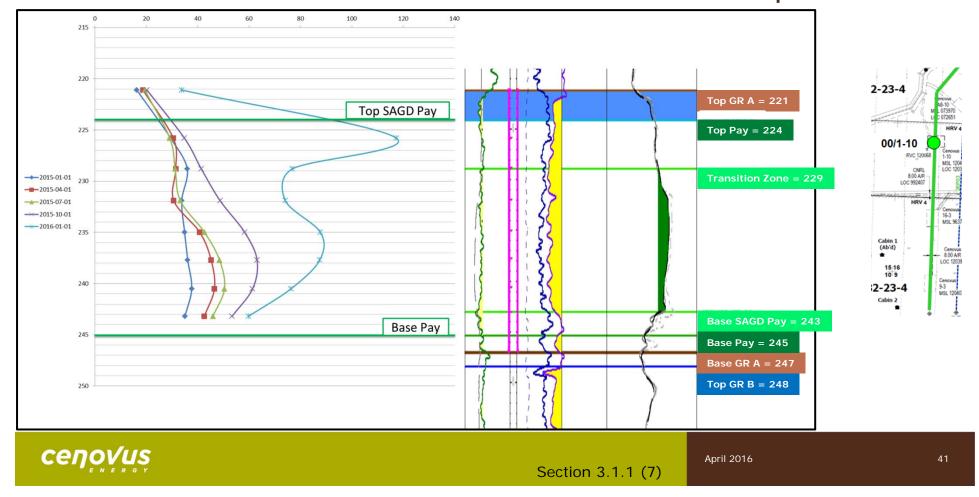


## Well Pair 2: 2015 Summary

- Successful workover in April 2015 to open a shiftable steam splitter
- Sought to maintain pressure balance with lean zone
- Continued to improve thermal conformance
- Continued to evaluate effect of steam splitter shift and tubing-deployed Inflow Control Devices (ICDs) installed in P02



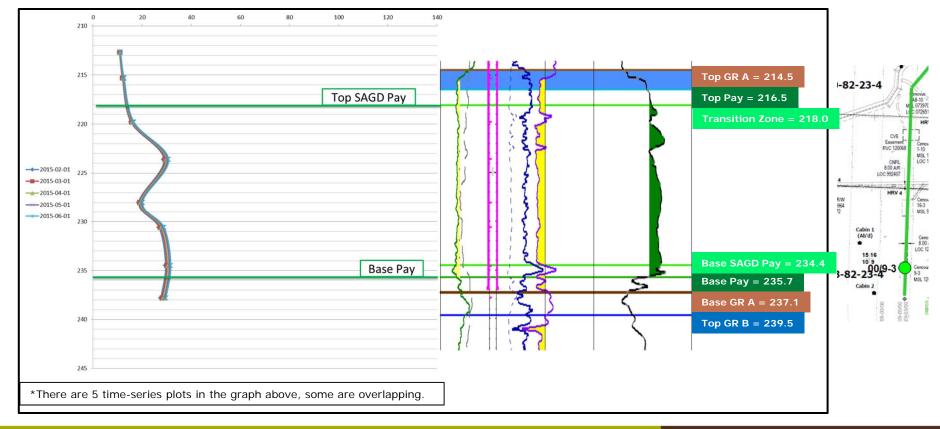
### 100/01-10-082-23W4/0 Observation Well Temperature





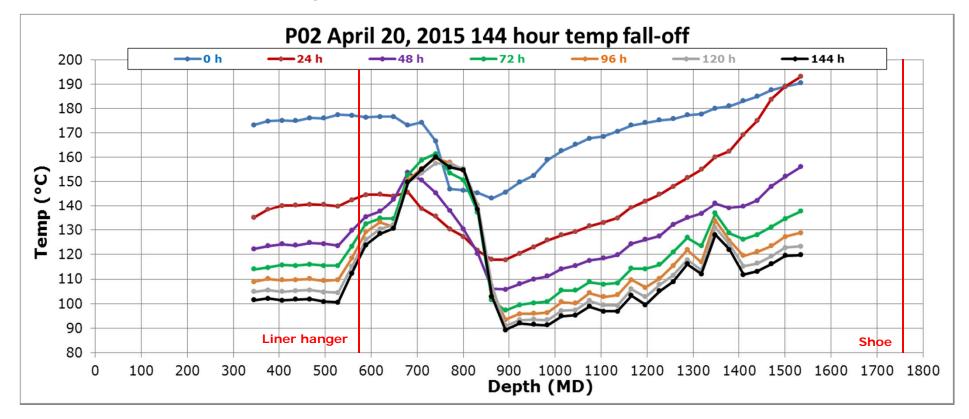


### 100/09-03-082-23W4/0 Observation Well Temperature



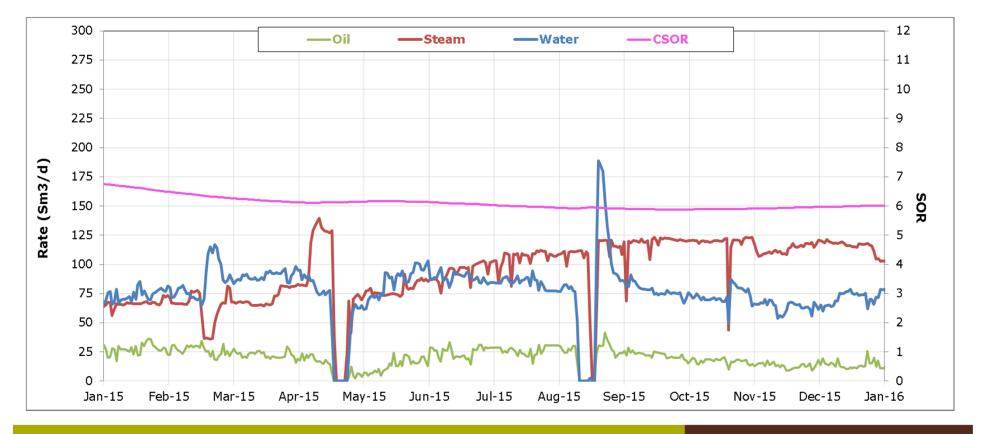
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## Well Pair 2 Temperature Profiles









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7) Scheme Performance Well Pair 3



## Well Pair 3 Startup

#### Description

- Proprietary Closed Circuit conductive heating startup (patent pending)
- Permits operation at higher temperatures compared with existing circulation practice
- Promotes uniform temperature distribution along lateral

#### Timeline

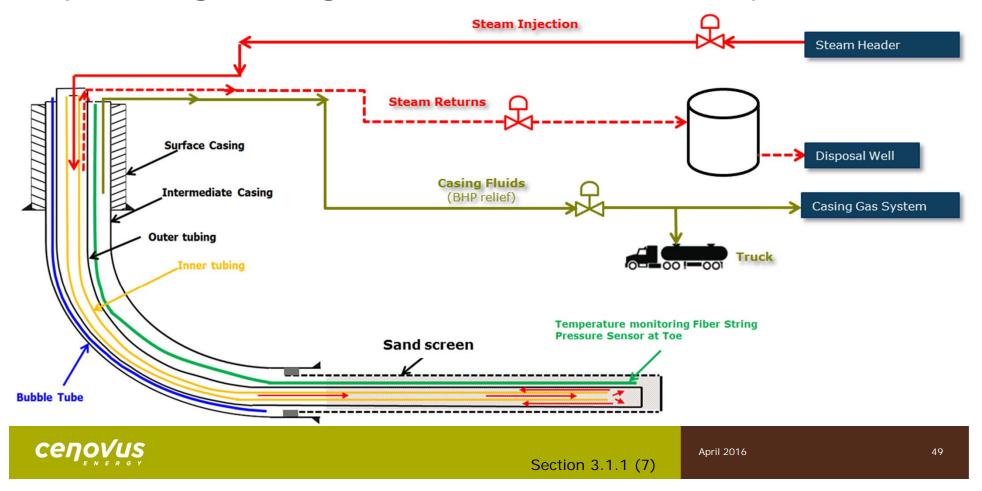
- 26P03 and 26I03 initial completions in February 2015
- 26P03 began circulation May 4, 2015
- 26103 began circulation June 9, 2015
- 26P03 converted to SAGD mode November 18, 2015



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## **Operating Configuration for WP3 Startup**





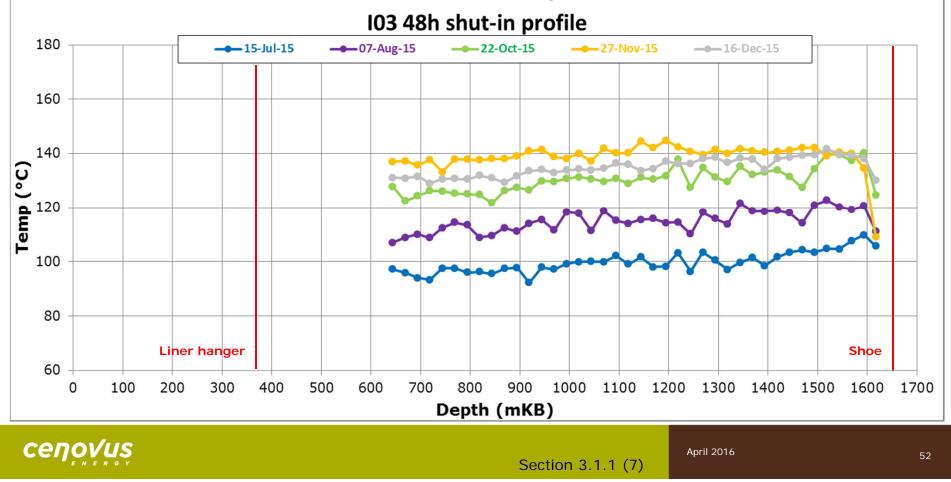
## 2015 Casing Fluid Volumes During WP3 Startup

- Total oil produced in 2015 during WP3 startup is 746 m<sup>3</sup>
- Total water produced in 2015 during WP3 startup is 893 m<sup>3</sup>

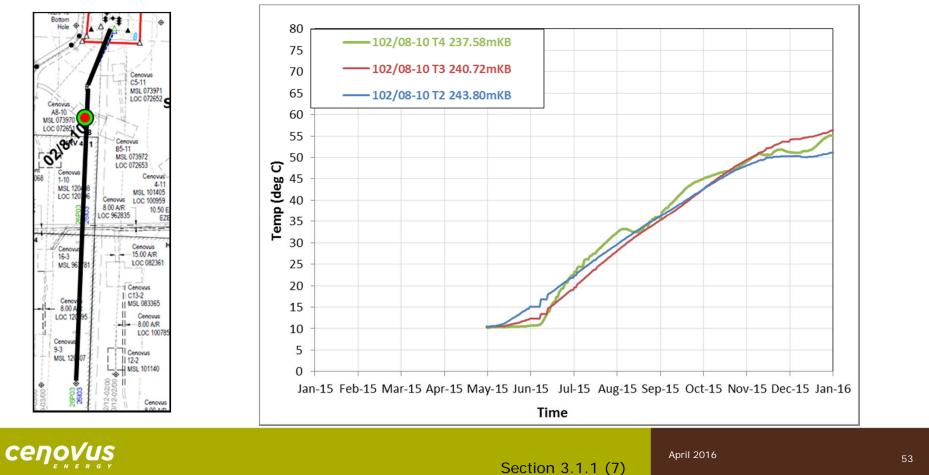
	May 4 - November 13	November 13 – December 31	2015 Total
P03 water	48 m <sup>3</sup>	0	48 m <sup>3</sup>
P03 oil	431 m <sup>3</sup>	0	431 m <sup>3</sup>
103 water	387 m <sup>3</sup>	458 m <sup>3</sup>	845 m <sup>3</sup>
I03 oil	161 m <sup>3</sup>	154 m <sup>3</sup>	315 m <sup>3</sup>

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## Field Data – 103 Shut-in Temperatures



### Field Data – Observation Well 102/08-10-082-23W4

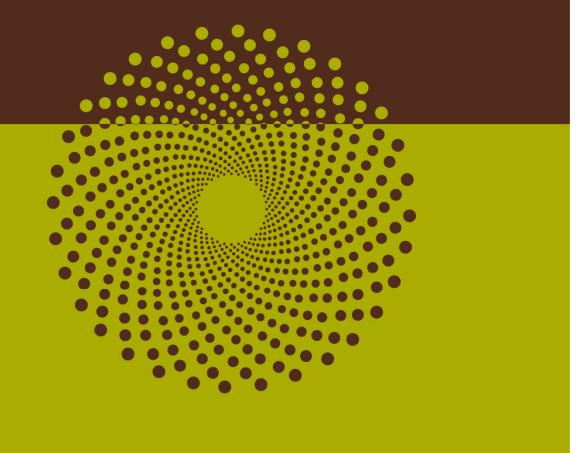


## WP3 Startup Learnings

- Operated at higher temperatures compared with existing circulation practice
- Achieved uniform temperature distribution along lateral
- Fluids were produced as a result of bottomhole fluid expansion
- Temperature profiles, wellbore dynamics, and pace of heating within design expectations



## 8) Future Plans





## **Future Plans**

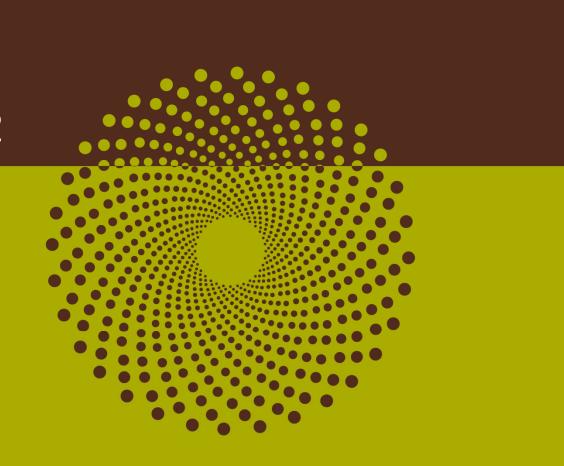
- Temporary suspension of SAGD pilot in Q1 2016
- No drilling plans for 2016



Surface Operations,

Compliance,

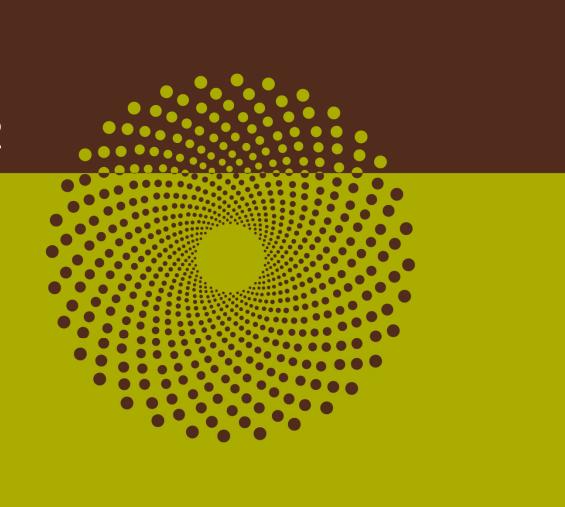
Non-Related Resource Evaluation Issues



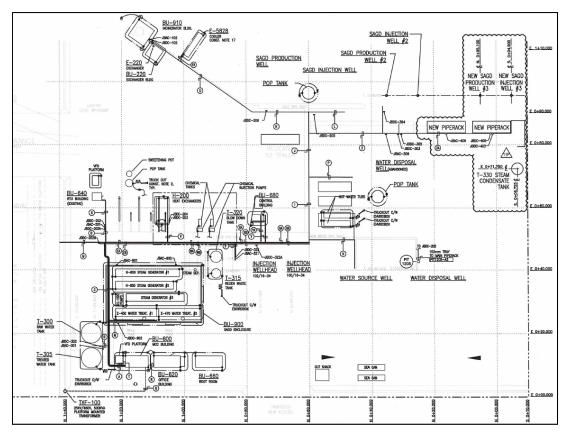


## 1) Facilities





### 2015 Pad 26 Plot Plan





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# 2015 Facility Summary

### Facility Updates

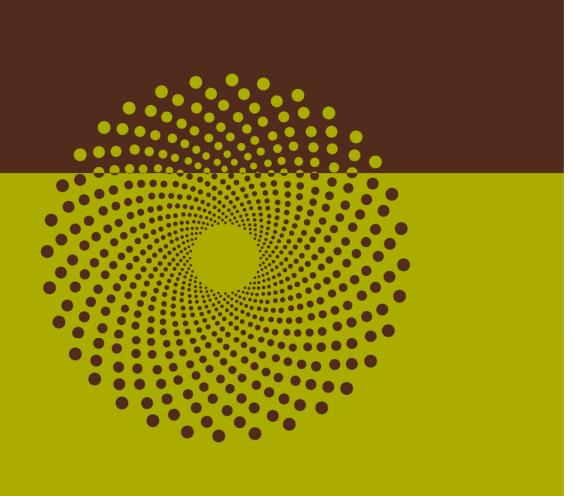
- Completed 26103 and 26P03 facility tie-ins
- Added temporary steam condensate returns tank (T-330) for WP3 startup
- Flue gas O<sub>2</sub> analyzers installed in the radiant section of two of the OTSGs (H-800 and H-850) to improve combustion efficiency
- No major changes to existing facility

#### **Plant Performance**

- Annual plant turnaround executed April 19-27
- No lost production exceeding 1 day from unplanned plant outages
- Steam quality at the injection wellheads estimated at 95-99%
- Flue gas O<sub>2</sub> Analyzers have not been installed long enough to quantify the improved boiler controls

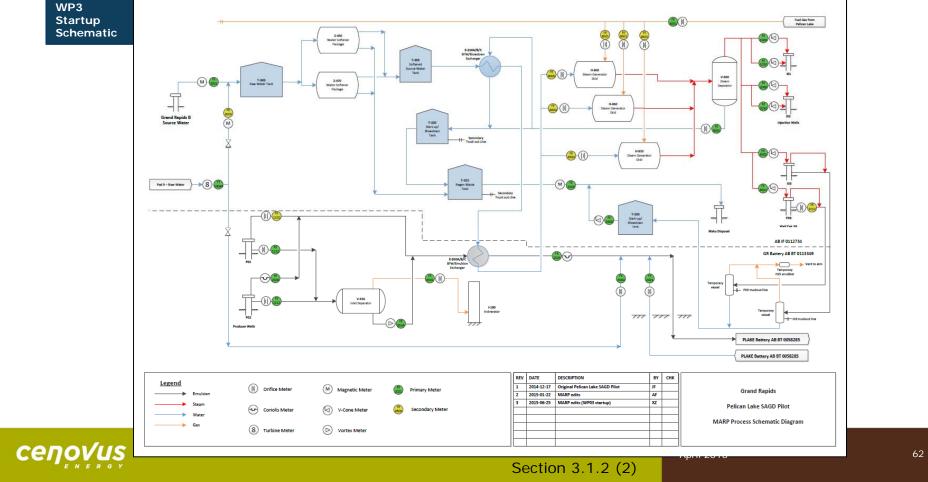


### 2) Measurement and Reporting









# Measurement and reporting

#### Estimated well production (oil and water)

- Coriolis meters have proven to be effective measurement tools at the pad
- 26P02 & 26P03 oil production is estimated by applying manual wellhead cuts to measured fluid production
- 26P01 oil production is estimated by applying manual wellhead cuts to measurement by difference:
  - 26P01 fluid = Pad 26 total fluid 26P02 fluid 26P03 (SAGD) fluid
- Produced oil and water is transferred to Pelican Lake 11-7 battery (AB BT0058285) for separation and all produced water is used for injection within scheme approval no. 9404V

#### Estimated well production (gas)

- Total gas production is obtained from a meter measuring the amount of produced gas going to the incinerator
- Gas proration for each production well is calculated using the gas-steam ratio determined from partial pressures



# Measurement and reporting (continued)

#### **Proration Factor**

- Proration Factor reported to Petrinex on a monthly basis
  - Proration Factor (PF) for oil & water =  $\frac{\text{Total pad production}}{\text{PO1} + \text{PO2} + \text{PO3 production}}$

#### **Meter Calibration**

Annual MARP meter calibrations were completed in Q3 2015, as per D017 requirements



## Water Balance

#### GR Battery (AB BT 0113349)

In:

- Produced water (26P01, 26P02, 26P03)
- Pad 9 source water for quench (1F1/13-07-082-22W4/0)
- Pelican Lake produced water for quench (AB BT 0058285)
- WP3 startup steam condensate
- WP3 casing fluid returns

Out:

- Produced/quench water to Pelican Lake (AB BT 0058285)
- WP3 startup steam condensate to T-330 (AB IF 0112734)
- Truck out (WP3 casing fluid returns)



## Water Balance

### Injection Facility (AB IF 0112734)

In:

- Inventory open
- Source water (1F1/01-15-082-23W4/0)
- Source water (1F1/13-07-082-22W4/0) [upset conditions]
- Truck in [upset conditions]

Out:

- Inventory close
- Disposal (regen waste, boiler blowdown, T-330 WP3 startup steam condensate)
- Steam injection (26101, 26102, 26103, 26P03)
- Truck out [upset conditions]



# Gas Balance

### GR Battery (AB BT 0113349)

In:

• Produced gas (26P01, 26P02, 26P03, 26I03)

Out:

- Produced gas to incinerator
- Vent to atmosphere (WP3 startup)

### Injection Facility (AB IF 0112734)

In:

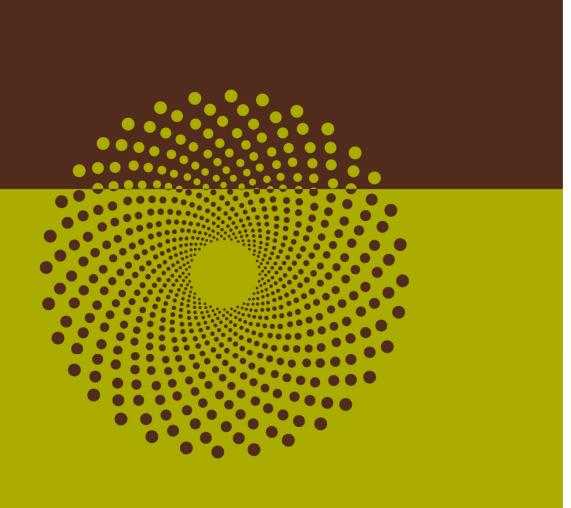
• Fuel gas from TCPL via Pelican Lake main gas line (AB MS 00094854)

Out:

- Fuel gas to OTSGs
- Fuel gas to incinerator



### 3) Fresh and Brackish Water





## Water Source Wells

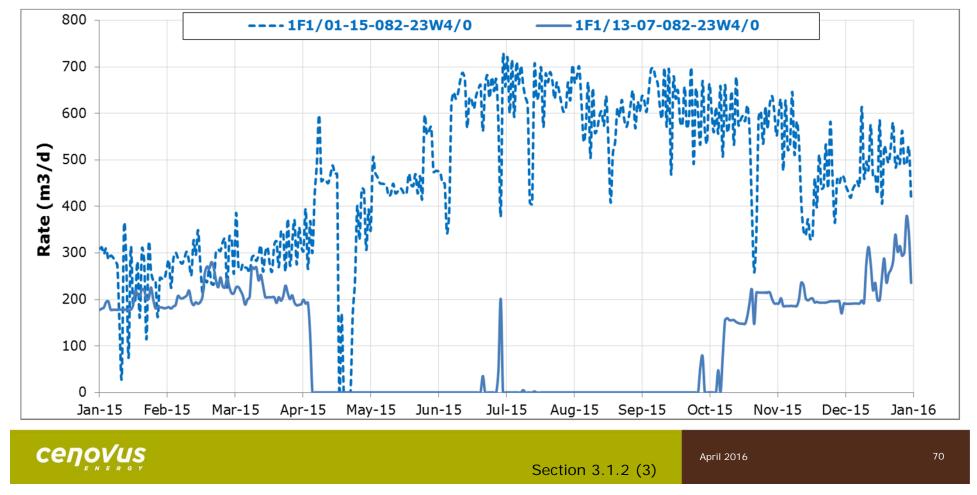
- Source water from Grand Rapids B water well (1F1/01-15-082-23W4/0) is used to generate steam for injection wells
- Source water from Grand Rapids B water well (1F1/13-07-082-22W4/0) is used for management of emulsion temperature in pipelines and primary source water upsets
- No brackish water wells



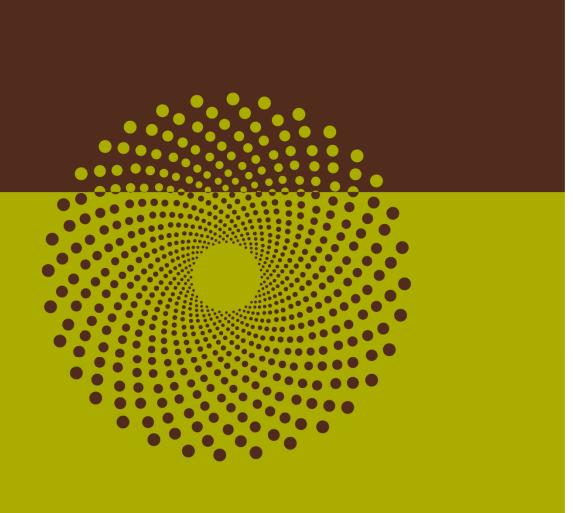
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## Source Water Well Rates



### 4) Water Treatment Technology





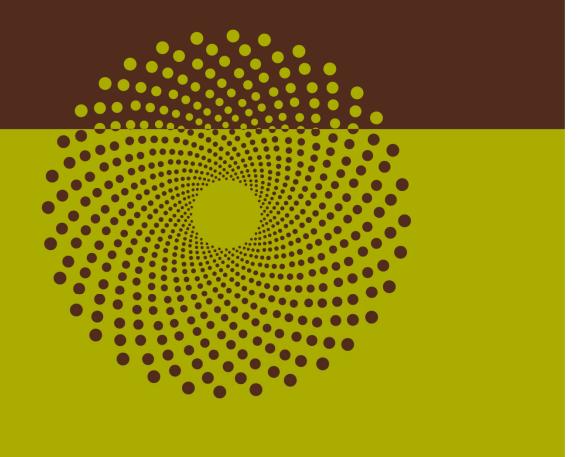
# Water Treatment Overview

- Media Filtering
- Primary Strong Acid Cation (SAC) Exchange
- Secondary SAC polisher
- Source water for brine regeneration
- Low concentrations of Acid Producing Bacteria (APB) were identified in the sand filters in December 2015



# Subsection 3.1.2

## 5) Waste Disposal



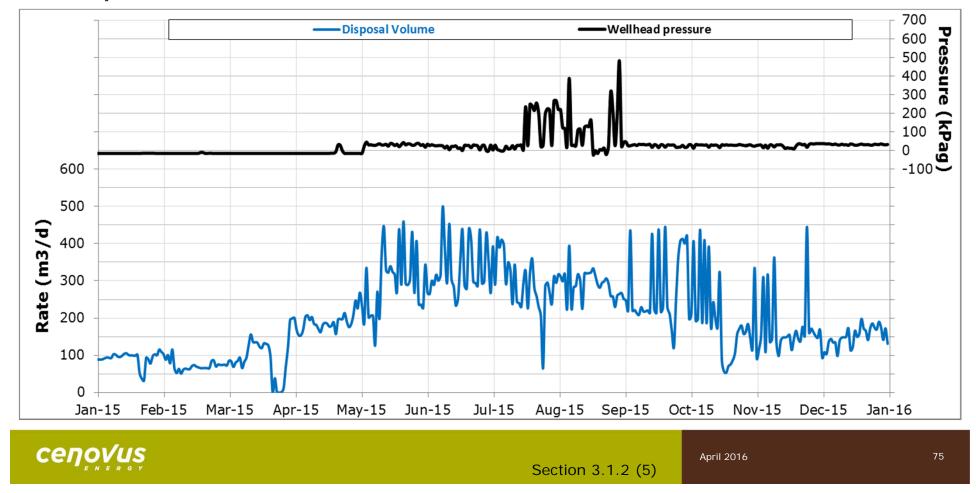


# Disposal

- Disposed fluids injected into a Class 1B disposal well (102/09-10-082-23W4/0)
- Disposed fluids include boiler blowdown, ion exchange regeneration waste, and WP3 steam condensate

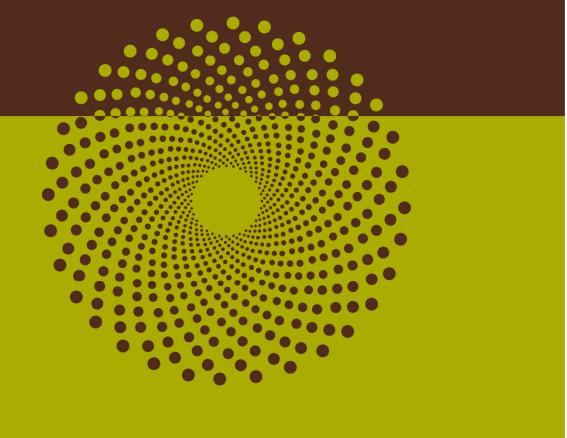


# Disposal Well Rates (102/09-10-082-23W4)



# Subsection 3.1.2

# 6) Air Emissions





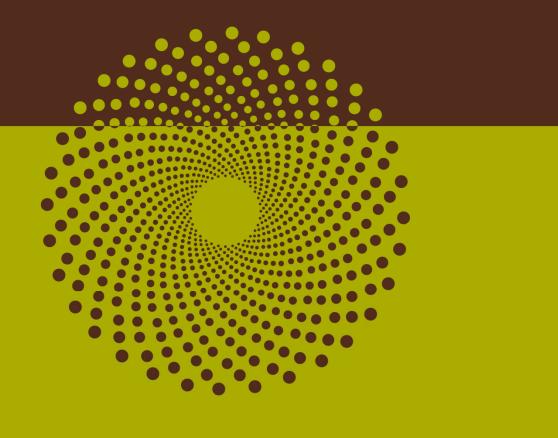
# 2015 Air Emissions Reporting

- Sulphur emissions generated from incineration of casing gases
  - $SO_2$  calculated from  $H_2S$  level in monthly casing gas analysis
  - Based on the calculated sulphur content, the facility is not required to complete quarterly sulphur emissions reporting
- Oxides of nitrogen (NO<sub>x</sub>) emissions generated from boiler combustion
- During 2015:
  - Total SO<sub>2</sub> emissions were 0.011 tonnes
  - Total NO<sub>x</sub> emissions (NO<sub>2</sub> equivalent) were 11.35 tonnes



# Subsection 3.1.2

# 7-9) Environmental & Compliance





# **Environmental Summary**

No environmental events to report



# Non-compliance

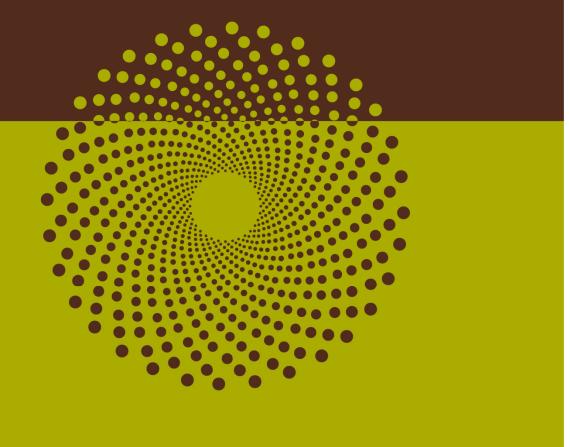
### WP3 startup venting

- Venting started on May 4, 2015 for 26P03 and June 9, 2015 for 26I03
- Venting ceased on December 31, 2015 for 26P03 and January 20, 2015 for 26I03
- Total vent volumes in 2015 from 26103 and 26P03 is 6.0 e<sup>3</sup>m<sup>3</sup>
- AER notified of venting May 22, 2015
- Met all reporting requirements following initial notification
- No regulatory enforcement as a result of the non-compliance



# Subsection 3.1.2

# 10) Future Plans





# **Future Plans**

- Temporary suspension and preservation of SAGD pilot facility in Q1 2016
   Plans to restart SAGD Pilot in the future
- May require additional facility tie-ins for WP3 restart
- OTSG compliance with the updated CSA B.149.3 code
  - Upgrades to Burner Management Systems (BMS), PLC, valving, and instrumentation required
  - Boiler and economizer inspections



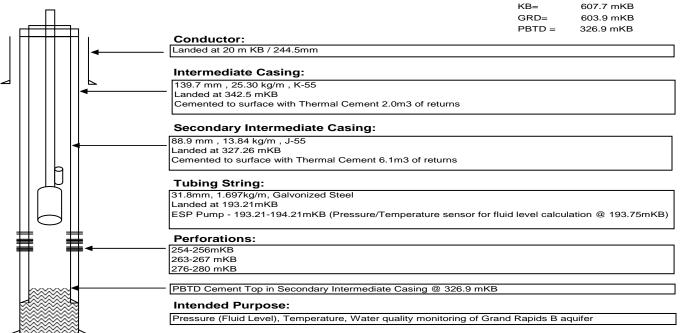
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# Appendices селоуиз

### ECA ECOG A8 BRINT 8-10-82-23

### 100/08-10-082-23W4 LSD 8-10-82-23W4M

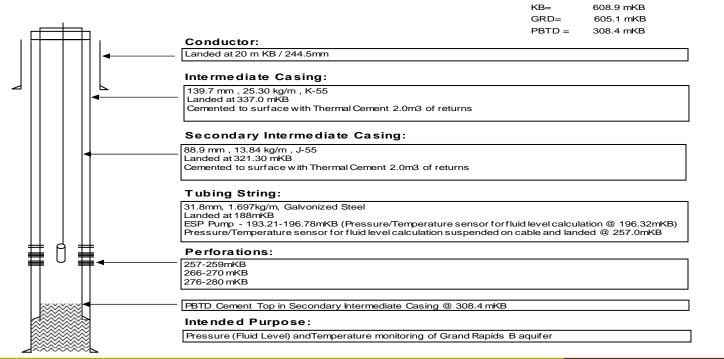




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### ECA ECOG A9 BRINT 9-10-82-23

### 100/09-10-082-23W4 LSD 9-10-82-23W4M





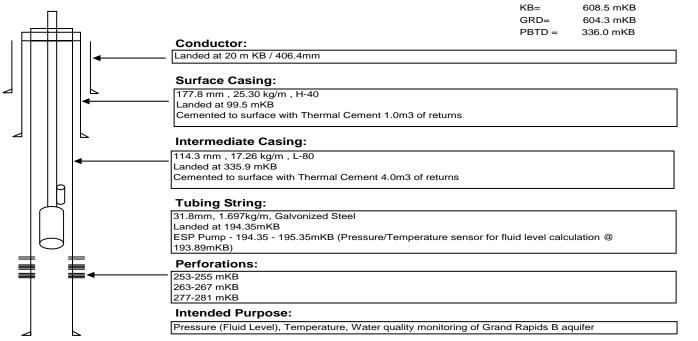
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### **CVE BRINT 4-11-82-23**

### 100/04-11-082-23W4 LSD 4-11-82-23W4M

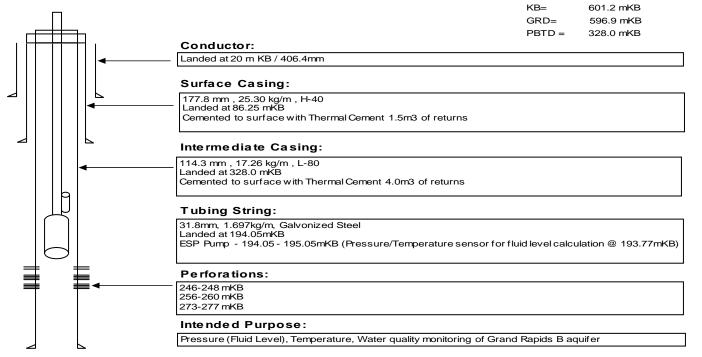




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### CVE 2C13 BRINT 13-2-82-23

### 103/13-02-082-23W4 LSD 13-2-82-23W4M



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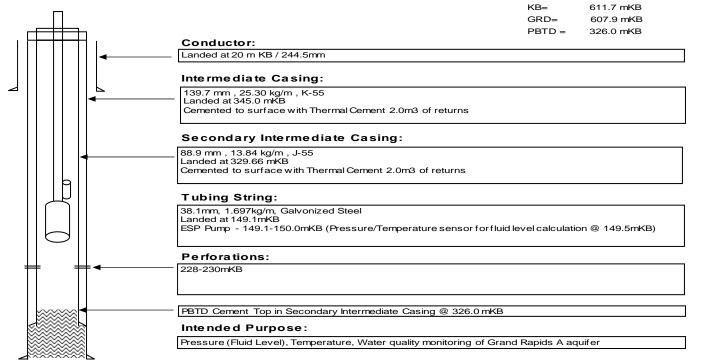
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### ECA ECOG B3 BRINT 3-11-82-23

### 102/03-11-082-23W4 LSD 3-11-82-23W4M





Section 3.1.1 (5c)

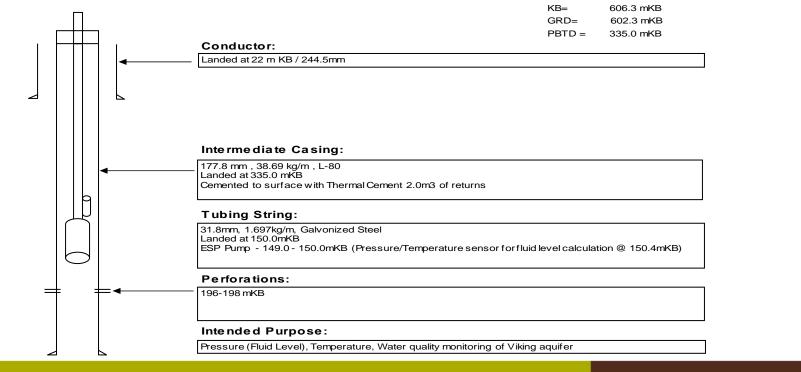
April 2016

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cenovus

### CVE C12 BRINT 12-11-82-23

### 103/12-11-082-23W4 LSD 12-11-82-23W4M



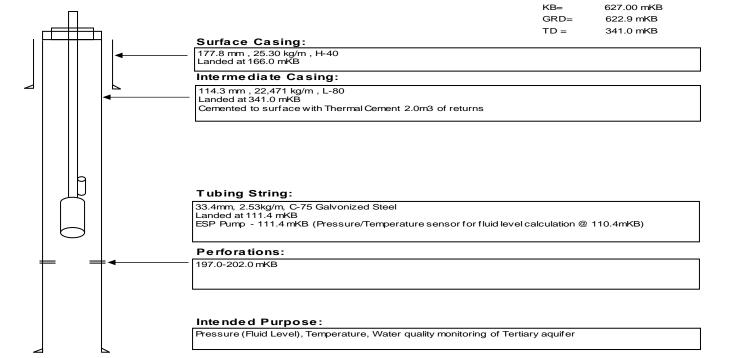
89

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### **CVE BRINT 4-27-82-22**

### 100/04-27-082-22W4 LSD 4-27-82-22W4M

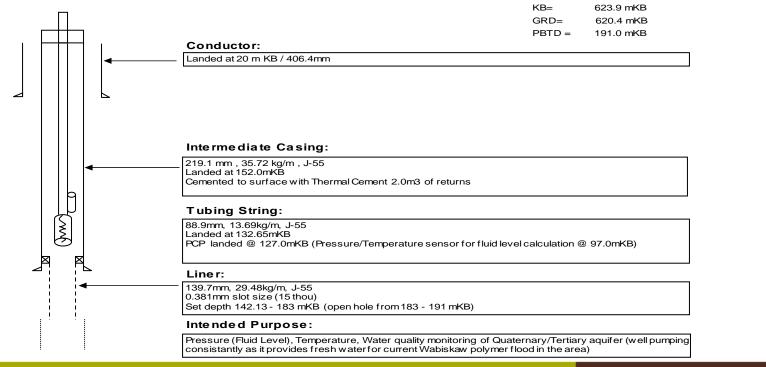




cenovus

### CVE WS2 BRINT 13-7-82-22

### 1F2/13-07-082-22W4 LSD 13-7-82-22W4M

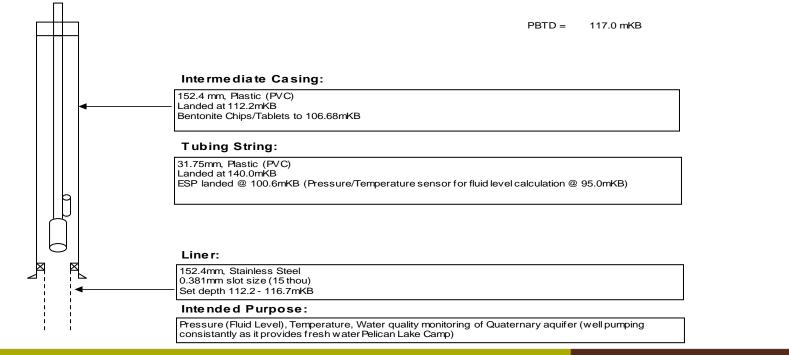


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### 2003 Camp Water Supply Well No. 16-07

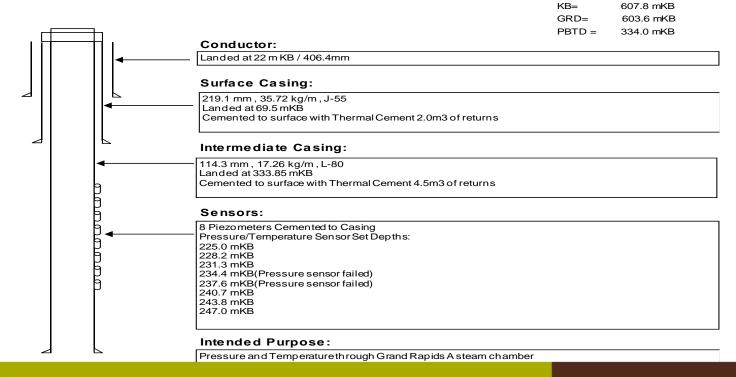
### 1F1/16-07-082-22W4 LSD 16-7-82-22W4M





**CVE BRINT 8-10-82-23** 

### 102/08-10-082-23W4 LSD 8-10-82-23W4M



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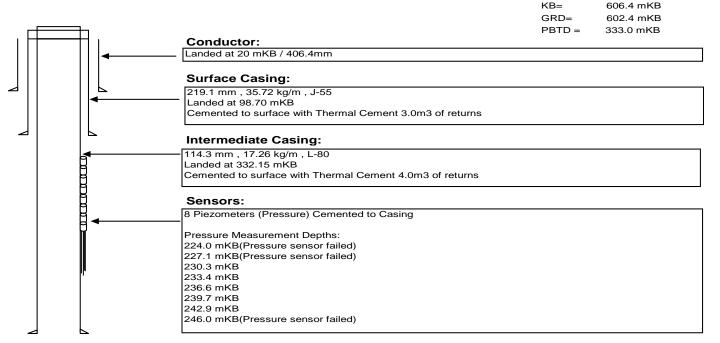
Section 3.1.1 (5c)

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### CVE 2B BRINT 5-11-82-23

### 103/05-11-082-23W4 LSD 5-11-82-23W4M



### Intended Purpose:

Pressure and Temperature through Grand Rapids A steam chamber

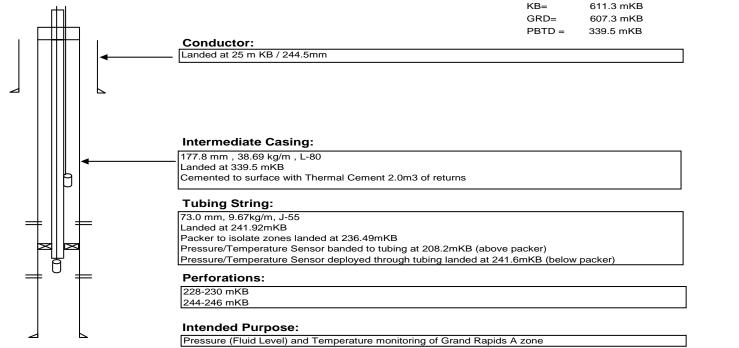


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### CVE B6 BRINT 6-11-82-23

### 103/06-11-082-23W4 LSD 6-11-82-23W4M





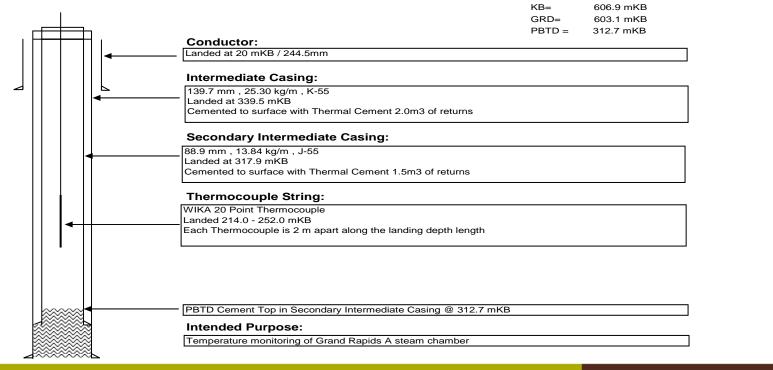
Section 3.1.1 (5c)

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### ECA ECOG B5 BRINT 5-11-82-23

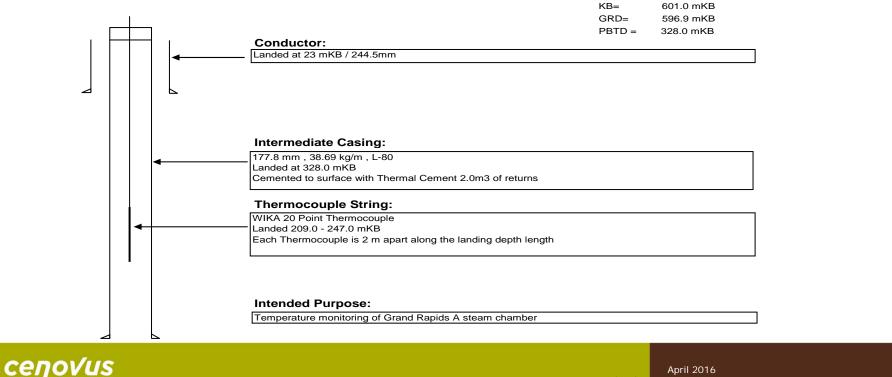
### 102/05-11-082-23W4 LSD 5-11-82-23W4M





### ECA ECOG C13 BRINT 13-2-82-23

### 102/13-02-082-23W4 LSD 13-2-82-23W4M

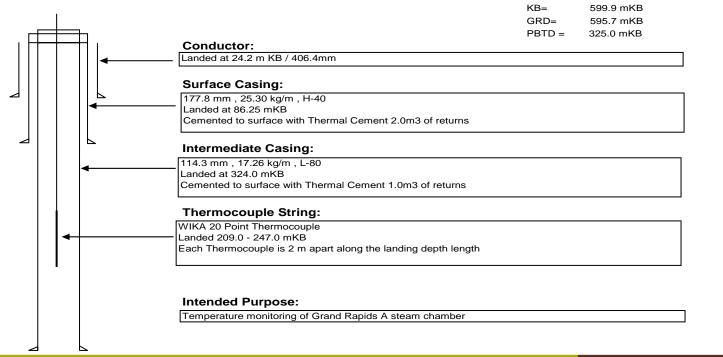


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### **CVE BRINTNELL 12-2-82-23**

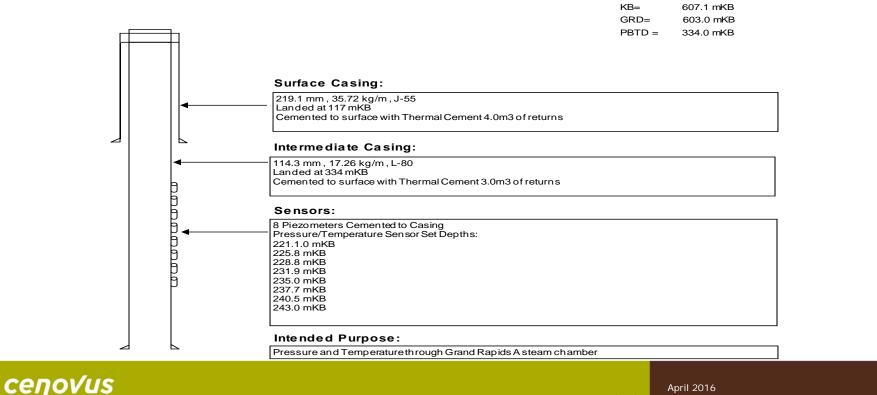
### 103/12-02-082-23W4 LSD 12-2-82-23W4M





### **CVE BRINT 1-10-82-23**

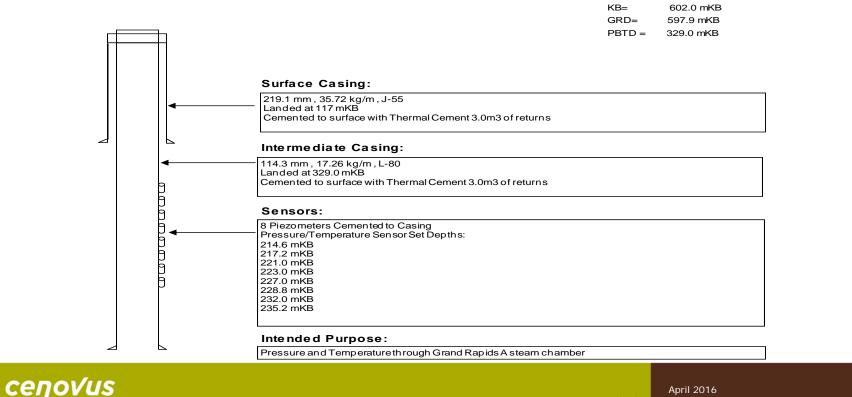
### 100/01-10-082-23W4 LSD 1-10-82-23W4M



Section 3.1.1 (5c)

### **CVE BRINT 16-3-82-23**

### 102/16-03-082-23W4 LSD 16-3-82-23W4M



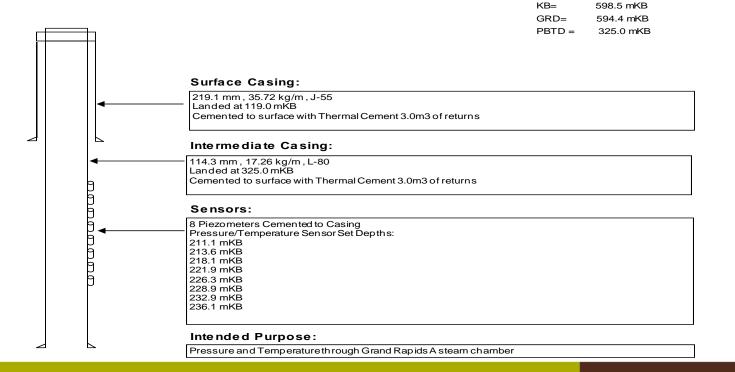
Section 3.1.1 (5c)

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### **CVE BRINT 9-3-82-23**

### 100/09-03-082-23W4 LSD 9-3-82-23W4M



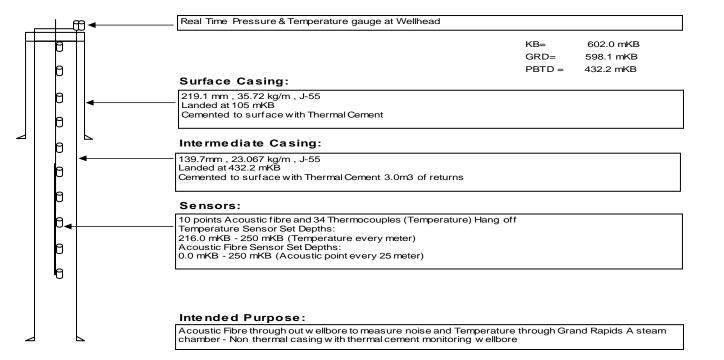


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### **CVE BRINT 16-3-82-23**

### 100/16-03-082-23W4 LSD 16-3-82-23W4M





### CVE 103 BRINT 16-3-82-23

### 103/16-03-082-23W4 LSD 16-03-82-23W4

