

PURPOSE, NEED, PROPOSED FACILITIES & TIMING

Purpose and Need

1. Enbridge Gas Inc. (“Enbridge Gas”) is proposing to drill a stratigraphic test well (TL9, Moore 8-20-V (TL9)) in the Ladysmith Storage Pool (“LSSP”) in St. Clair Township, in the County of Lambton (the “Project”). The LSSP is a designated storage area (“DSA”) as defined in s. 36.1(1)(a) of the Ontario Energy Board Act (“OEB Act”). The proposed TL9 well will not be completed within the gas storage zone of the LSSP.
2. In this application Enbridge Gas is requesting that the Board issue a favourable report to the Ministry of Natural Resources and Forestry (“MNR”) for the drilling of well TL9.
3. The LSSP was designated as a gas storage area in the Ontario Energy Board’s (“OEB” or the “Board”) E.B.L.O. 269, E.B.O 212/213, E.B.R.M 112 Decision With Reasons. The LSSP has been in operation since 1999 and is currently operated and monitored using 2 injection/withdrawal wells, 1 observation well and a gathering system. The gathering system is connected to the Tecumseh Gas Storage Plant via transmission pipelines. The LSSP is currently utilized by Enbridge Gas to fulfill part of the storage requirement for its regulated gas supply plan and forms part of regulated storage operations.
4. The drilling of the stratigraphic test well, TL9, is required to gather geological and engineering data to assess the feasibility of increasing the maximum operating pressure used in the LSSP. The gathering of this data will facilitate the development of studies which will evaluate the upper limit of delta pressure in which the LSSP can safely and effectively operate. Currently, the deliverability provided

by the existing wells in the LSSP is sufficient for regulated storage operations.

5. The Project is the first phase of a broader project to increase deliverability and storage capacity at Enbridge Gas' storage facilities. The broader project will delta pressure certain pools and provide incremental storage capacity. The additional deliverability and storage capacity will be sold as part of Enbridge Gas' unregulated storage portfolio. Enbridge Gas expects to file with the Board subsequent requests for other phases of the broader project later this year and next year pending the outcome of the data and studies developed from the stratigraphic test well.

Proposed Facilities

6. The stratigraphic test well is required to collect core samples and to allow the installation of instrumentation that will monitor the effect on the overlying formations of storage injection/withdrawal activities in the Guelph reef formation. The well will be completed above the Guelph Reef formation, and will reach a total depth of approximately 620m in the A-2 Carbonate formation. It is proposed that the well initially be drilled and operated as a stratigraphic test well for 2019 and 2020.
7. Once sufficient data has been gathered and assessed for feasibility of increasing the maximum operating pressure, a separate application will be submitted to the MNRF for the drilling of a horizontal injection/withdrawal well. Enbridge Gas expects to re-enter the well in 2021 in order to deepen the TL9 well and convert it into a horizontal injection/withdrawal well, well TL9H.
8. The proposed stratigraphic test well will not be used for natural gas injections or withdrawals and a pipeline will not be installed to connect to this well.

9. Attachment 1 and Attachment 2 to this Exhibit show the geographical location of the proposed TL9 well. Attachment 3 shows the facilities to be constructed. Attachment 4 shows the position of the stratigraphic test well in relation to the A-2 Carbonate formation and the Guelph Reef formation. Attachment 4 shows that the proposed well will not penetrate the gas storage zone of the LSSP.

Timing

10. Drilling of the stratigraphic test well will occur in August and September of 2019. After completion of drilling activities, instrumentation will be installed in the well and the well will be monitored for the remainder of 2019 and 2020.
11. The Project will commence with the construction of a temporary all-weather drilling pad. The drilling pad will be approximately 75m x 90m. The pad will be constructed in compliance with the Environmental Screening Report completed by Stantec which can be found at Exhibit C, Tab 1, Schedule 1. The drilling pad will remain in place from 2019 until 2021, when the horizontal drilling is completed after which the drilling pad will be reduced in size to approximately 11m x 5.5m. Upon completion of drilling activities, a permanent access laneway will remain and the remainder of the land will be restored along with the repair of any drainage tile.
12. Drilling is scheduled to occur when the reservoir is below 4,800 kpa. The drilling work must occur in this time frame to allow the well to be safely drilled when the reservoir is a low pressure. The drilling is not expected to cause any disruption of service from the LSSP.

Storage Pressures & Deliverability

13. The maximum operating pressure, working capacity and deliverability at the LSSP will not change as a result of the drilling operations of the stratigraphic test well.