



February 9, 2012

9022-5000-59240-06

Ann Green  
Engineering Technologist  
Bonavista Energy Corporation  
1500, 525- 8<sup>th</sup> Avenue S.W.  
Calgary AB T2P 1G1

Dear Ms. Green:

**RE: GOOD ENGINEERING PRACTICE SPECIAL PROJECT  
OTHER THAN NORMAL SPACING ORDER  
NORTHERN MONTNEY FIELD – MONTNEY “A” POOL**

The Commission has reviewed your application dated December 22, 2011, requesting approval of Good Engineering Practice for an area within the Blueberry field - Montney formation.

The Commission maps this area within the regional Northern Montney field - Montney “A” pool. Gas recovery from this resource will benefit from the ability to produce horizontal wells in optimal locations, drilling from central sites. For regulatory purposes, the Commission designates the entire Montney sequence as a single formation, removing commingling as an issue.

The following Orders are attached;

- 1) Orders 12-06-003 and 12-06-004 designating Good Engineering Practice within a portion of the Northern Montney field - Montney “A” pool as a Special Project under section 75 of the *Oil and Gas Activities Act*, and
- 2) Orders 12-06-003-OTN and 12-06-004-OTN approving Other Than Normal Spacing under section 65.1 of the *Petroleum and Natural Gas Act* for the subject pool and area.

As a Good Engineering Practice special project, the applicant intends to locate, complete and operate wells in a manner to optimize resource recovery while minimizing surface impacts. No objections were received following notice of application on the OGC website.

Should you have any questions, please contact Ron Stefik at (250) 419-4430 or Kelly Okuszko at (250) 419-4433.

Sincerely,

A handwritten signature in black ink, appearing to read 'Paul Veakins'.

Paul Veakins  
Commissioner & CEO  
Oil and Gas Commission

Attachments

IN THE MATTER of an application from Bonavista Energy Corporation to the Oil and Gas Commission dated December 22, 2011 for a Good Engineering Practice project.

**ORDER 12-06-003**

- 1 Under Section 75(1)(a) of the *Oil and Gas Activities Act*, the regional Northern Montney field – Montney “A” pool is designated as a special project for the enhanced recovery of natural gas utilizing Good Engineering Practice within the following area;

DLS 88-24 W6M Sections 5, 6

DLS 88-25 W6M Sections 9-15, 22, 23, 27F, 28F


NTS 94-A-12 Block L – Units 1F-5F, 12-17, 22-27, 32-37, 42-47, 56-60, 66-70, 80, 90

NTS 94-B-9 Block I - Units 51, 61, 71 and 81.



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Paul Jeakins  
Commissioner & CEO  
Oil and Gas Commission


DATED AT the City of Victoria, in the Province of British Columbia, this  day of February 2012.

IN THE MATTER of an application from Bonavista Energy Corporation to the Oil and Gas Commission dated December 22, 2011 for a Good Engineering Practice project.

**ORDER 12-06-004**

- 1 Under Section 75(1)(a) of the *Oil and Gas Activities Act*, the regional Northern Montney field – Montney “A” pool is designated as a special project for the enhanced recovery of natural gas utilizing Good Engineering Practice within the following area;

NTS 94-B-16 Block A – Units 12, 13, 22, 23, 32, 33, 42, 43, 54, 55, 64 and 65.

  
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Paul Jeakins  
Commissioner & CEO  
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this <sup>PH</sup> day of February 2012.

IN THE MATTER of an application from Bonavista Energy Corporation to the Oil and Gas Commission dated December 22, 2011 for Other Than Normal Spacing.

**ORDER 12-06-003-OTN**

- 1 Under Section 65.1(2) of the *Petroleum and Natural Gas Act*, Other Than Normal Spacing is approved within the regional Northern Montney field - Montney "A" pool within the following area;

DLS 88-24 W6M Sections 5, 6

DLS 88-25 W6M Sections 9-15, 22, 23, 27F, 28F

NTS 94-A-12 Block L – Units 1F-5F, 12-17, 22-27, 32-37, 42-47, 56-60, 66-70, 80, 90

NTS 94-B-9 Block I - Units 51, 61, 71 and 81.

- 2 Under section 65.1(3) of the *Petroleum and Natural Gas Act*, I specify the following:
- a) the target area for a gas well completed within the project area is not nearer than 150 m to the sides of the Other Than Normal Spacing area,
  - b) a gas well completed outside the specified target area may be subject to an off-target production penalty,
  - c) gas wells drilled within the specified project area are not subject to spacing requirements.



Ron Stefik  
Sr Technical Advisor  
Reservoir Engineering  
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 9<sup>th</sup> day of February 2012.

IN THE MATTER of an application from Bonavista Energy Corporation to the Oil and Gas Commission dated December 22, 2011 for Other Than Normal Spacing.

**ORDER 12-06-004-OTN**

- 1 Under Section 65.1(2) of the *Petroleum and Natural Gas Act*, Other Than Normal Spacing is approved within the regional Northern Montney field – Montney “A” pool within the following area;  
NTS 94-B-16 Block A – Units 12, 13, 22, 23, 32, 33, 42, 43, 54, 55, 64 and 65.
  
- 2 Under section 65.1(3) of the *Petroleum and Natural Gas Act*, I specify the following:
  - a) the target area for a gas well completed within the project area is not nearer than 150 m to the sides of the Other Than Normal Spacing area,
  - b) a gas well completed outside the specified target area may be subject to an off-target production penalty,
  - c) gas wells drilled within the specified project area are not subject to spacing requirements.

  
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Ron Stefik  
Sr Technical Advisor  
Reservoir Engineering  
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 9<sup>th</sup> day of February 2012.