



September 12, 2011

0320-4997-59240-06

Jim Chan  
Canbriam Energy Inc.  
500, 521 – 3<sup>rd</sup> Ave SW  
CALGARY, AB T2P 3T3

Dear Mr. Chan:

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

The Commission has reviewed your application, dated May 26, 2011, requesting approval of Good Engineering Practice for an area within the Altares field – Doig Phosphate/Montney formation.

The Commission maps the area of application within the Altares field Doig Phosphate-Montney “A” pool. As a compound formation pool, commingled production applications or notifications are not required. Gas recovery from this low permeability resource will benefit from the ability to produce horizontal wells in optimal locations, drilling from central sites.

The following Orders are attached;

- 1) Order 11-06-036 designating Good Engineering Practice within a portion of the Altares field Doig Phosphate-Montney “A” pool as Special Projects under section 75 of the *Oil and Gas Activities Act*, and
- 2) Order 11-06-036–OTN approving Other Than Normal Spacing under section 65.1 of the *Petroleum and Natural Gas Act* for the subject formation 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 posting of a notice of application on the OGC website.

Should you have any questions, please contact Kelly Okuszko at (250) 419-4433 and Travis Mercure at (250) 419-4448.

Sincerely,

A handwritten signature in blue ink, appearing to read 'P. Jeakins', is written over a light blue circular stamp.

Paul Jeakins  
Chief Operating Officer  
Oil and Gas Commission

Attachments

IN THE MATTER of an application from Canbriam Energy Inc. to the Commission dated May 26, 2011 for a Good Engineering Practice project.

**ORDER 11-06-036**

- 1 Under Section 75(1)(a) of the *Oil and Gas Activities Act*, a portion of the Altares field – Doig Phosphate-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 Twp 84 Rge 26 W6M - Fractional Section 36

DLS Twp 85 Rge 25 W6M - Section 6

DLS Twp 85 Rge 26 W6M - Fractional Sections 1, 12

NTS 94-A-05 Block D – Fractional Unit 98 and Unit 99

Block E – Fractional Units 8, 18, 28 and Units 9, 19, 20, 29, 30

NTS 94-B-08 Block H – Units 11 and 12.



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Paul Jenkins  
Chief Operating Officer  
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 13<sup>th</sup> day of September 2011.

IN THE MATTER of an application from Canbriam Energy Inc. to the Commission dated May 26, 2011 for Other Than Normal Spacing.

**ORDER 11-06-036-OTN**

- 1 Under Section 65.1(2) of the *Petroleum and Natural Gas Act*, Other Than Normal Spacing is approved within a portion of the Altares field – Doig Phosphate-Montney “A” pool within the following area;

DLS Twp 84 Rge 26 W6M - Fractional Section 36  
DLS Twp 85 Rge 25 W6M - Section 6  
DLS Twp 85 Rge 26 W6M - Fractional Sections 1, 12

NTS 94-A-05 Block D – Fractional Unit 98 and Unit 99  
Block E – Fractional Units 8, 18, 28 and Units 9, 19, 20, 29, 30  
NTS 94-B-08 Block H – Units 11 and 12.

- 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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Kelly Okusko  
Supervisor, Reservoir Engineering  
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 13<sup>th</sup> day of September 2011.