



October 4, 2011

9021-5000-59240-06

Peter Cochrane, P.Eng.
Manager, Exploitation
Crocotta Energy Inc.
700, 639– 5th Avenue S.W.
Calgary AB T2P 0M9

Dear Mr. Cochrane:

**RE: GOOD ENGINEERING PRACTICE SPECIAL PROJECTS
OTHER THAN NORMAL SPACING ORDERS
HERITAGE FIELD – MONTNEY “A” POOL**

The Commission has reviewed your applications dated August 11th and 18th, 2011, requesting approval of Good Engineering Practice for an area within the Heritage field - Montney formation.

The Commission maps these areas within the regional Heritage 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 11-06-040 and 11-06-041 designating Good Engineering Practice within portions of the Heritage field Montney “A” pool as Special Projects under section 75 of the *Oil and Gas Activities Act*, and
- 2) Orders 11-06-040-OTN and 11-06-041-OTN approving Other Than Normal Spacing under section 65.1 of the *Petroleum and Natural Gas Act* for areas of the subject pool.

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 blue ink, appearing to read 'Paul 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 Crocotta Energy Inc. (Crocotta) to the Oil and Gas Commission dated August 18, 2011 for a Good Engineering Practice project.

ORDER 11-06-040

- 1 Under Section 75(1)(a) of the *Oil and Gas Activities Act*, the Heritage 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 80-14 W6M Sections 18, 19

DLS 80-15 W6M Sections 23, 24, 25, 36.



Paul Jeakins
Chief Operating Officer
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 4th day of October 2011.

IN THE MATTER of an application from Crocotta Energy Inc. (Crocotta) to the Oil and Gas Commission dated August 11, 2011 for a Good Engineering Practice project.

ORDER 11-06-041

- 1 Under Section 75(1)(a) of the *Oil and Gas Activities Act*, the Heritage 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 79-16 W6M Section 35
DLS 80-16 W6M Sections 1, 2.



Paul Jenkins
Chief Operating Officer
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 24th day of October 2011.