

December 7, 2010

9021-5000-59240-06

Greg Crowell
Geologist
Huron Energy Corporation
1000, 202 – 6th Ave. S.W.
Calgary AB T2P 2R9

Dear Mr. Crowell:

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

The Commission has reviewed your application dated October 26, 2010, requesting approval of a Good Engineering Practice approval for an area within the Heritage field - Montney formation.

The Commission maps this area within the regional Heritage field Montney “A” pool. Application is intended to extend successful development beyond the original approval area, as gas recovery from this resource benefits 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.

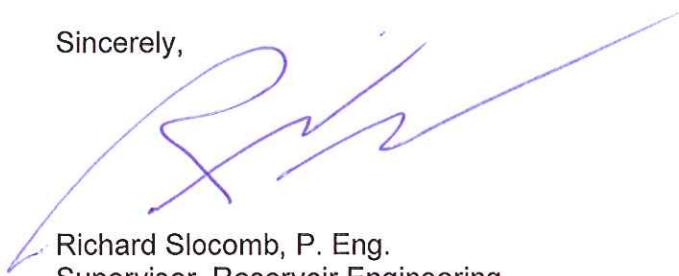
As a result of recent legislative changes, authorities previously contained in a single approval document for this activity are now covered in the attached;

- 1) Order 10-06-055 designating Good Engineering Practice, Huron Project #5, within a portion of the regional Heritage - Montney “A” pool as a Special Project under section 75 of the *Oil and Gas Activities Act*, and
- 2) Order 10-06-055-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.

Should you have any questions, please contact the undersigned at (250) 419-4421 or Travis Mercure at (250) 419-4448.

Sincerely,



Richard Slocomb, P. Eng.
Supervisor, Reservoir Engineering
Resource Conservation

Attachments

IN THE MATTER of an application from Huron Energy Corporation to the Commission dated October 26, 2010 for a Good Engineering Practice project.

ORDER 10-06-055

- 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;

NTS 93-P-10 Block H	Units 52, 53, 56, 57, Fractional Units 62, 63, 66, 67
DLS 76 Rge 17 W6M	Fractional Sections 33, 35
DLS 77 Rge 17 W6M	Sections 2, 4, 9-11, 14, 16, and 21.



Alex Ferguson
Commissioner
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 7 day of December 2010.

IN THE MATTER of an application from Huron Energy Corporation to the Commission dated October 26, 2010 for Other Than Normal Spacing.

ORDER 10-06-055-OTN

1 Under Section 65.1(2) of the *Petroleum and Natural Gas Act*, Other Than Normal Spacing is approved within the Heritage field Montney formation within the following area;

NTS 93-P-10 Block H	Units 52, 53, 56, 57, Fractional Units 62, 63, 66, 67
DLS 76 Rge 17 W6M	Fractional Sections 33, 35
DLS 77 Rge 17 W6M	Sections 2, 4, 9-11, 14, 16, and 21.

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.



Richard Slocomb
Supervisor, Reservoir Engineering
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 7 day of December 2010.