



October 20, 2008

9021-5000-59240-06

Kevin Carroll, P.Eng.
Manager, Operations
Huron Energy Corporation
1000 Bow Valley Square 1
202, 6th Avenue S.W.
Calgary AB T2P 2R9

Dear Mr. Carroll:

**RE: GOOD ENGINEERING PRACTICE APPROVALS
HERITAGE FIELD – MONTNEY “A” POOL**

Commission staff have reviewed the application, dated July 22, 2008, prepared by Fekete Associates Inc. on behalf of Huron Energy Corporation, requesting Good Engineering Practice (GEP) scheme approval for producing gas from the Montney formation in the Sunrise and Groundbirch areas. The areas of application have limited direct information available, however are within the recently created regional Heritage field Montney “A” pool in recognition of the extensive deposition of the gas charged Montney formation, with known reservoir characteristics.

Attached are Approvals 08-06-031 (Huron Project #1), 08-06-032 (Huron Project #2), 08-06-033 (Huron Project #3) and 08-06-034 (Huron Project #4), granted under Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*. These approvals are intended to allow the drilling and production of gas wells in the GEP areas without regard for spacing and target restrictions for maximization of gas recovery. Gas target buffer distances have been reduced to 100 meters in several cases, further requested reductions may be made by amendment application with submission of consent letters from off-setting rights owners.

The portions of the GEP areas with rights held under Drilling Licence will require Lease selection prior to production.

Should you have any questions, please contact Ron Stefik at (250) 952-0310.

Sincerely,

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

Attachments

cc. Brian Ohlinger, Fekete Associates Inc.

RESOURCE CONSERVATION

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0301
Location: 6th Flr 1810 Blanshard St, Victoria BC

Headquarters: #200, 10003 110th Ave, Fort St. John BC V1J 6M7 Tel: (250) 261-5729 Fax: (250) 261-5744 www.ogc.gov.bc.ca

APPROVAL 08-06-031

**THE PROVINCE OF BRITISH COLUMBIA
PETROLEUM AND NATURAL GAS ACT
DRILLING AND PRODUCTION REGULATION
OIL AND GAS COMMISSION**

IN THE MATTER of a Good Engineering Practice (GEP) scheme of Huron Energy Corporation (Huron), for producing gas wells without spacing and target restrictions from the Heritage field - Montney "A" pool.

NOW, THEREFORE, the Oil and Gas Commission (Commission), pursuant to Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*, hereby approves the GEP scheme of Huron as such scheme is described in

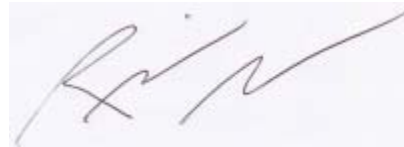
an Application from Huron to the Commission dated July 22, 2008.

This scheme is approved, subject to the conditions herein contained and, in particular:

1. The area of the project shall consist of:

Twp 80 Rge 18 W6M: section 22.

2. The requirements of Section 10 of the *Drilling and Production Regulation* are hereby waived, provided that gas wells within the scheme area are not completed nearer than 250 m to the north, west and south sides and 100 m to the east side of the approved project area.
3. The gas wells within the project area may be produced without individual well allowable restrictions.
4. This approval may be modified or rescinded at a later date if deemed appropriate.



Richard Slocomb
Supervisor, Reservoir Engineering
Resource Conservation

DATED AT the City of Victoria, in the Province of British Columbia, this 20th day of October 2008.

APPROVAL 08-06-032

**THE PROVINCE OF BRITISH COLUMBIA
PETROLEUM AND NATURAL GAS ACT
DRILLING AND PRODUCTION REGULATION
OIL AND GAS COMMISSION**

IN THE MATTER of a Good Engineering Practice (GEP) scheme of Huron Energy Corporation (Huron), for producing gas wells without spacing and target restrictions from the Heritage field - Montney "A" pool.

NOW, THEREFORE, the Oil and Gas Commission (Commission), pursuant to Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*, hereby approves the GEP scheme of Huron as such scheme is described in

an Application from Huron to the Commission dated July 22, 2008.

This scheme is approved, subject to the conditions herein contained and, in particular:

1. The area of the project shall consist of:

Twp 79 Rge 17 W6M: section 34

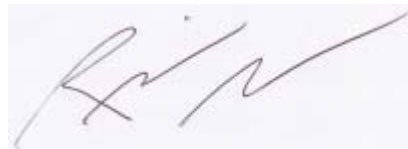
Twp 80 Rge 17 W6M: sections 4, 7, 8, 18

Twp 80 Rge 18 W6M: sections 12 - 14 and 23.

2. The requirements of Section 10 of the *Drilling and Production Regulation* are hereby waived, provided that gas wells within the scheme area are not completed nearer than 250 m to sides of the approved project area, except for 100 m to the west side of section 23-80-18.

3. The gas wells within the project area may be produced without individual well allowable restrictions.

4. This approval may be modified or rescinded at a later date if deemed appropriate.



Richard Slocomb
Supervisor, Reservoir Engineering
Resource Conservation

DATED AT the City of Victoria, in the Province of British Columbia, this 20th day of October 2008.

APPROVAL 08-06-033

**THE PROVINCE OF BRITISH COLUMBIA
PETROLEUM AND NATURAL GAS ACT
DRILLING AND PRODUCTION REGULATION
OIL AND GAS COMMISSION**

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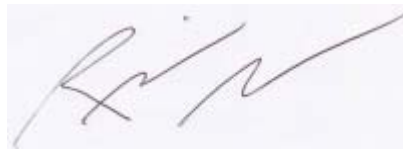
1. The area of the project shall consist of:

Twp 79 Rge 18 W6M: section 2.

2. The requirements of Section 10 of the *Drilling and Production Regulation* are hereby waived, provided that gas wells within the scheme area are not completed nearer than 250 m to the north, east and south sides and 100 m to the west side of the approved project area.

3. The gas wells within the project area may be produced without individual well allowable restrictions.

4. This approval may be modified or rescinded at a later date if deemed appropriate.



Richard Slocomb
Supervisor, Reservoir Engineering
Resource Conservation

DATED AT the City of Victoria, in the Province of British Columbia, this 20th day of October 2008.

APPROVAL 08-06-034

**THE PROVINCE OF BRITISH COLUMBIA
PETROLEUM AND NATURAL GAS ACT
DRILLING AND PRODUCTION REGULATION
OIL AND GAS COMMISSION**

IN THE MATTER of a Good Engineering Practice (GEP) scheme of Huron Energy Corporation (Huron), for producing gas wells without spacing and target restrictions from the Heritage field - Montney "A" pool.

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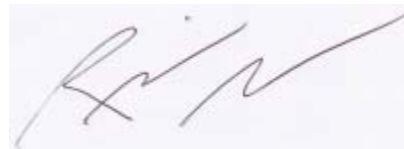
Twp 78 Rge 18 W6M: sections 32, 33

Twp 79 Rge 18 W6M: sections 2 and 3.

2. The requirements of Section 10 of the *Drilling and Production Regulation* are hereby waived, provided that gas wells within the scheme area are not completed nearer than 250 m to the sides of the approved project area, except for 100 m to the east side of section 32-78-18 and 100 m to the west side of section 33-78-18.

3. The gas wells within the project area may be produced without individual well allowable restrictions.

4. This approval may be modified or rescinded at a later date if deemed appropriate.



Richard Slocomb
Supervisor, Reservoir Engineering
Resource Conservation

DATED AT the City of Victoria, in the Province of British Columbia, this 20th day of October 2008.

APPROVAL 08-06-034

**THE PROVINCE OF BRITISH COLUMBIA
PETROLEUM AND NATURAL GAS ACT
DRILLING AND PRODUCTION REGULATION
OIL AND GAS COMMISSION**

IN THE MATTER of a Good Engineering Practice (GEP) scheme of Huron Energy Corporation (Huron), for producing gas wells without spacing and target restrictions from the Heritage field - Montney "A" pool.

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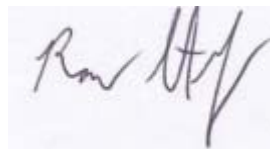
Twp 78 Rge 18 W6M: sections 32, 33

Twp 79 Rge 18 W6M: sections 3 and 4.

2. The requirements of Section 10 of the *Drilling and Production Regulation* are hereby waived, provided that gas wells within the scheme area are not completed nearer than 250 m to the sides of the approved project area, except for 100 m to the east side of section 32-78-18 and 100 m to the west side of section 33-78-18.

3. The gas wells within the project area may be produced without individual well allowable restrictions.

4. This approval may be modified or rescinded at a later date if deemed appropriate.



for Richard Slocomb
Supervisor, Reservoir Engineering
Resource Conservation

DATED AT the City of Victoria, in the Province of British Columbia, this 20th day of October 2008.