



October 11, 2011

8115-4900-59240-06

Greg Crowell
Geologist
Huron Energy Corporation
1000 Bow Valley Square 1
202 – 6th Avenue S.W.
Calgary AB T2P 2R9

Dear Mr. Crowell:

**RE: GOOD ENGINEERING PRACTICE SPECIAL PROJECT
OTHER THAN NORMAL SPACING ORDER
SUNDOWN FIELD – DOIG “D” POOL**

The Commission has reviewed your application dated March 21, 2011, requesting approval of a Good Engineering Practice approval for an area within the Sundown field - Doig formation. This area is composed of two Other Than Normal gas spacing areas (boundary of the DLS and NTS survey systems) and one addition section of land.

The application is intended to extend successful development of the Doig formation as gas recovery from this resource benefits from the ability to produce wells at higher density in optimal locations. Gas target buffer distances have been reduced to 150 meters from project boundaries as specified in the attached, based on documentation of consent from off-setting rights owners.

Attached are the following;

- 1) Order 11-06-042 designating Good Engineering Practice, within a portion of the Sundown - Doig “D” pool as a Special Project under section 75 of the *Oil and Gas Activities Act*, and
- 2) Order 11-06-042-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 Ron Stefik at (250) 419-4430.

Sincerely,

A handwritten signature in black ink, appearing to read 'Paul Jeakins', with a large, stylized flourish at the end.

Paul Jeakins
Chief Operating Officer
Oil and Gas Commission

Attachments

IN THE MATTER of an application from Huron Energy Corporation to the Commission dated March 21, 2011 for a Good Engineering Practice project

ORDER 11-06-042

- 1 Under Section 75(1)(a) of the *Oil and Gas Activities Act*, the Sundown field Doig formation is designated as a special project for the enhanced recovery of natural gas utilizing Good Engineering Practice within the following area;

Twp 76 Rge 17 W6M Fractional Sections 31 & 32

Twp 77 Rge 17 W6M Sections 5 -7

NTS 93-P-10 Block G Unit 51 & Fractional Unit 61

Block H Units 58 - 60 & Fractional Units 68 - 70.



Paul Jeakins
Chief Operating Officer
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 11th day of October 2011.

IN THE MATTER of an application from Huron Energy Corporation to the Commission dated March 21, 2011 for Other Than Normal Spacing.

ORDER 11-06-042-OTN

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

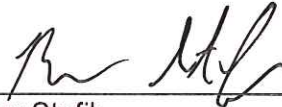
Twp 76 Rge 17 W6M Fractional Sections 31 & 32

Twp 77 Rge 17 W6M Sections 5 -7

NTS 93-P-10 Block G Unit 51 & Fractional Unit 61

Block H Units 58 - 60 & Fractional Units 68 - 70.

- 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
Senior Technical Advisor,
Reservoir Engineering
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 11th day of October 2011.