

November 8, 2011

3540-4900-59240-06

Jim Wright
Engineer Technologist
Northern Business Unit
NAL Resources Ltd.
1000, 550 – 6th Avenue S.W.
Calgary AB T2P 0S2

Dear Mr. Wright:

**RE: GOOD ENGINEERING PRACTICE SPECIAL PROJECT AMENDMENT #2
OTHER THAN NORMAL SPACING ORDER
FIREWEED FIELD – DOIG “C” POOL**

The Commission has reviewed your application dated August 15, 2011, requesting amendment of a Good Engineering Practice approval for the Fireweed field - Doig “C” pool.

Gas recovery from this resource benefits from the ability to produce horizontal wells in optimal locations, drilling from central sites.

The following Orders are attached;

- 1) Order 03-06-025 (Amendment #2) designating Good Engineering Practice within a portion of the Fireweed field Doig “C” gas pool as a Special Project under section 75 of the *Oil and Gas Activities Act*, and
- 2) Order 03-06-025-OTN (Amendment #2) approving Other Than Normal Spacing under section 65.1 of the *Petroleum and Natural Gas Act* for the subject pool 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. This amendment modifies the previous area by the removal of five gas spacing areas and the addition of two others. 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,



Paul Jeakins
Commissioner
Oil and Gas Commission

Attachments

IN THE MATTER of an application from NAL Resources Limited to the Oil and Gas Commission dated August 15, 2011 for Other Than Normal Spacing.

ORDER 03-06-025-OTN (Amendment #2)

1 Under Section 65.1(2) of the *Petroleum and Natural Gas Act*, Other Than Normal Spacing is approved within the Fireweed field – Doig “C” pool within the following area;

94-A-12 Block I - Units 54-57, 64-67, 72-79, 82-89, 92-97
94-A-13 Block A - Units 2-7, 14-17 and 24-27.

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 250 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
Sr Technical Advisor, Reservoir Engineering
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 8th day of November 2011.

IN THE MATTER of an application from NAL Resources Limited to the Oil and Gas Commission dated August 15, 2011 for a Good Engineering Practice project.

ORDER 03-06-025 (Amendment #2)

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

94-A-12 Block I - Units 54-57, 64-67, 72-79, 82-89, 92-97
94-A-13 Block A - Units 2-7, 14-17 and 24-27.



Paul Jeakins
Commissioner
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 8th day of November 2011.