



November 24, 2011

5600-2700-59240-06

Russel Cumberland
Polar Star Canadian Oil & Gas Inc.
1900, 700– 4th Avenue S.W.
Calgary AB T2P 3J4

Dear Mr. Cumberland:

**RE: GOOD ENGINEERING PRACTICE SPECIAL PROJECT
OTHER THAN NORMAL SPACING ORDER
LAPRISE CREEK FIELD – GETHING “A” POOL**

The Commission has reviewed the application submitted August 31, 2011, from Proven Reserves Exploitation Ltd. on your behalf, requesting approval of Good Engineering Practice for an area within the Conroy field - Gething formation.

The Commission maps this area within the Laprise Creek field - Gething “A” pool. Gas recovery from this resource will benefit from the ability to produce at an increased well density.

The following Orders are attached;

- 1) Order 11-06-045 designating Good Engineering Practice within a portion of the Laprise Creek field - Gething “A” pool as a Special Project under section 75 of the *Oil and Gas Activities Act*, and
- 2) Order 11-06-045-OTN 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. 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 black ink, appearing to read 'Paul Jeakins', written over a white background.

Paul Jeakins
Commissioner & CEO
Oil and Gas Commission

Attachments

cc. Granger Low, Proven Reserves Exploitation Ltd.

IN THE MATTER of an application from Polar Star Canadian Oil & Gas Inc., via Proven Reserves Exploitation Ltd., to the Oil and Gas Commission dated August 31, 2011 for a Good Engineering Practice project.

ORDER 11-06-045

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

NTS 094-H-4 Block J – units 98-100

NTS 094-H-4 Block K – units 32-35, 42-45, 52-55, 62-65, 72-75, 82-85, 91-93

NTS 094-H-5 Block B – units 8-10, 20, 30, 38-40, 48-50, 56-60, 66-70, 76-80, 86-90, 96-100

NTS 094-H-5 Block C – units 1-3, 11-13, 21-23, 31-33, 41-43, 51-53, 61-63, 71, 81, 91

NTS 094-H-5 Block F – units 1, 11, 21

NTS 094-H-5 Block G – units 6-10, 16-20 and 26-30.



Paul Jeakins
Commissioner & CEO
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this ^{24th} day of November 2011.

IN THE MATTER of an application from Polar Star Canadian Oil & Gas Inc., via Proven Reserves Exploitation Ltd., to the Oil and Gas Commission dated August 31, 2011 for Other Than Normal Spacing.

ORDER 11-06-045-OTN

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

NTS 094-H-4 Block J – units 98-100

NTS 094-H-4 Block K – units 32-35, 42-45, 52-55, 62-65, 72-75, 82-85, 91-93

NTS 094-H-5 Block B – units 8-10, 20, 30, 38-40, 48-50, 56-60, 66-70, 76-80, 86-90, 96-100

NTS 094-H-5 Block C – units 1-3, 11-13, 21-23, 31-33, 41-43, 51-53, 61-63, 71, 81, 91

NTS 094-H-5 Block F – units 1, 11, 21

NTS 094-H-5 Block G – units 6-10, 16-20 and 26-30.

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 24th day of November 2011.