



May 24, 2012

9022-5000-59240-06

Davin Yee, P. Eng.  
Exploitation Engineer  
Progress Energy Ltd.  
1200, 205 – 5<sup>th</sup> Avenue S.W.  
CALGARY, AB T2P 2V7

Dear Mr. Yee:

**RE: GOOD ENGINEERING PRACTICE SPECIAL PROJECT, AMENDMENT #1  
OTHER THAN NORMAL SPACING ORDER  
REGIONAL NORTHERN MONTNEY (BLUEBERRY) – MONTNEY FORMATION**

The Commission has reviewed your application dated March 26, 2012, requesting amendment to a Good Engineering Practice order, approved May 9, 2011, for an area within the Blueberry field Montney formation.

The Commission now maps this area within the Regional Northern Montney field Montney “A” pool. Gas recovery from this resource will benefit 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.

The following Orders are attached;

- 1) Order 11-06-022 Amendment #1 designating a Good Engineering Practice within the Regional Northern Montney field, Montney gas formation as a Special Project under section 75 of the *Oil and Gas Activities Act*, and
- 2) Order 11-06-022–OTN Amendment #1 approving Other Than Normal Spacing under section 65.1 of the *Petroleum and Natural Gas Act* for the subject formation and area.

This amendment adds one additional gas spacing area to the previous approval 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 Curtis Kitchen at (250) 419-4443.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Ken Paulson', is written over a horizontal line.

Ken Paulson, P. Eng.  
Chief Operating Officer  
Oil and Gas Commission

Attachments


IN THE MATTER of an application from Progress Energy Ltd. to the Commission dated March 26, 2012 for amendment of a Good Engineering Practice project.

**ORDER 11-06-022 Amendment #1**

- 1 Under Section 75(1)(a) of the *Oil and Gas Activities Act*, the Regional Northern Montney Field – Blueberry Area – 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 94-A-12      Block L   Units 92, 93

NTS 94-A-13      Block D   Units 2, 3, 12-15, 22-25, 34, 35, 44, 45, 54-57, 64-67, 74, 75, 84 and 85.



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Ken Paulson, P. Eng.  
Chief Operating Officer  
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 24 day of May 2012.

IN THE MATTER of an application from Progress Energy Ltd. to the Commission dated March 26, 2012 for amendment of a Good Engineering Practice project.

**ORDER 11-06-022-OTN Amendment #1**

1 Under Section 65.1(2) of the *Petroleum and Natural Gas Act*, Other Than Normal Spacing is approved within the Regional Northern Montney Field (Blueberry area) – Montney “A” pool within the following area;

NTS 94-A-12      Block L   Units 92, 93

NTS 94-A-13      Block D   Units 2, 3, 12-15, 22-25, 34, 35, 44, 45, 54, 55, 64, 65, 74, 75, 84 and 85.

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, EngL  
Sr Technical Advisor,  
Reservoir Engineering  
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 24<sup>th</sup> day of May 2012.