



November 24, 2011

9022-5000-59240-06

Joe Leonard, P.Eng.  
Exploitation Engineer  
Progress Energy Resources Corp.  
1200, 205– 5<sup>th</sup> Avenue S.W.  
Calgary AB T2P 2V7

Dear Mr. Leonard:

**RE: GOOD ENGINEERING PRACTICE SPECIAL PROJECT, AMENDMENT #4  
OTHER THAN NORMAL SPACING ORDER, AMENDMENT #4  
NORTHERN MONTNEY FIELD – MONTNEY “A” POOL**

The Commission has reviewed your application dated October 17, 2011, requesting amendment of a Good Engineering Practice approval for the Town field - Montney formation.

The Commission previously mapped this area within the Town field Montney “A” pool. A new regional field, Northern Montney, was recently created and includes the project area. 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 09-06-037 (Amendment #4) designating Good Engineering Practice, within a portion of the regional Northern Montney field Montney “A” pool as a Special Project under section 75 of the *Oil and Gas Activities Act*, and
- 2) Order 09-06-037-OTN (Amendment #4) 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. The target area for the project boundaries has been reduced to **150m** (from 250m) as a result of this amendment. The project area remains unchanged.

Should you have any questions, please contact Ron Stefik at (250) 419-4430 or Kelly Okuszkco at (250) 419-4433.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul Jeakins", is written over a light blue horizontal line.

Paul Jeakins  
Commissioner & CEO  
Oil and Gas Commission

Attachments

IN THE MATTER of an application from Progress Energy Resources Corp. to the Oil and Gas Commission (Commission) dated October 17, 2011 for a Good Engineering Practice project.

**ORDER 09-06-037 (Amendment #4)**

1 Under Section 75(1)(a) of the *Oil and Gas Activities Act*, the Northern Montney field – 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-B-16 Block A Units 52, 53, 62, 63, 72-75, 82-85, 92-97  
Block G Units 31, 41, 51-53, 61-63, 71-75, 81-85, 91-99  
Block H Units 2-7, 12-17, 22-27, 34-40, 44-50, 52-60, 62-70, 72-80, 82-90, 92-100  
Block I Units 2-10, 18-20, 28-30, 40, 50  
Block J Units 1-9, 11-19, 21-29, 31-50, 52-60, 62-70, 72-80, 82-90, 96-100  
Block K Units 31, 41, 51-57, 61-67, 71-77, 81-87, 91-100  
Block L Units 91-95

NTS 94-G-1 Block B Units 6-10, 20, 30, 40, 50, 60, 70, 80, 90, 100  
Block C Units 1-100  
Block D Units 1-5, 11-15, 21-25, 31-35, 41-45, 51-57, 61-67, 71-77, 81-87, 91-97  
Block E Units 1-7  
Block F Units 1-10  
Block G Unit 10



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Paul Jeakins  
Commissioner & CEO  
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this <sup>21<sup>st</sup></sup> day of November 2011.

IN THE MATTER of an application from Progress Energy Resources Corp. to the Oil and Gas Commission (Commission) dated October 17, 2011 for a Good Engineering Practice project.

**ORDER 09-06-037 OTN (Amendment #4)**

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

NTS 94-B-16 Block A Units 52, 53, 62, 63, 72-75, 82-85, 92-97  
Block G Units 31, 41, 51-53, 61-63, 71-75, 81-85, 91-99  
Block H Units 2-7, 12-17, 22-27, 34-40, 44-50, 52-60, 62-70, 72-80, 82-90, 92-100  
Block I Units 2-10, 18-20, 28-30, 40, 50  
Block J Units 1-9, 11-19, 21-29, 31-50, 52-60, 62-70, 72-80, 82-90, 96-100  
Block K Units 31, 41, 51-57, 61-67, 71-77, 81-87, 91-100  
Block L Units 91-95

NTS 94-G-1 Block B Units 6-10, 20, 30, 40, 50, 60, 70, 80, 90, 100  
Block C Units 1-100  
Block D Units 1-5, 11-15, 21-25, 31-35, 41-45, 51-57, 61-67, 71-77, 81-87, 91-97  
Block E Units 1-7  
Block F Units 1-10  
Block G Unit 10

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.

  
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Ron Stefik, AScT  
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 November 2011.