



March 27, 2012

4390-4980-59240-06

Jeremy Moore
New Gas Team Lead - BC
Shell Canada Limited
400 – 4th Avenue S.W.
PO Box 100, Station M
Calgary, AB T2P 2H5

Dear Mr. Moore:

**RE: GOOD ENGINEERING PRACTICE SPECIAL PROJECTS
OTHER THAN NORMAL SPACING ORDERS
GROUNDBIRCH FIELD – DOIG PHOSPHATE BEDS “A” POOL**

The Commission has reviewed your application dated December 19, 2011, requesting approval of Good Engineering Practice for five areas within the Groundbirch field - Doig Phosphate formation.

The Commission maps this area within the Groundbirch field - Doig Phosphate Beds “A” pool. Gas recovery from this resource will benefit from the ability to produce horizontal wells in optimal locations, drilling from central sites.

The following Orders are attached;

- 1) Orders 12-06-010, 12-06-011, 12-06-012, 12-06-013 and 12-06-014 designating Good Engineering Practice within a portion of the Groundbirch field - Doig Phosphate Beds “A” pool as a Special Project under section 75 of the *Oil and Gas Activities Act*, and
- 2) Orders 12-06-010-OTN, 12-06-011-OTN, 12-06-012-OTN, 12-06-013-OTN and 12-06-014-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 from January 16th – February 6th, 2012.

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 'P. Jeakins', is written over a white background.

Paul Jeakins
Commissioner & CEO
Oil and Gas Commission

Attachments


IN THE MATTER of an application from Shell Canada Limited to the Oil and Gas Commission dated December 19, 2011 for a Good Engineering Practice project.

ORDER 12-06-010

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

DLS 77-19W6M – Sections 19, 30, 31

DLS 77-20W6M – Sections 12, 13, 23-26, 35 and 36.



Paul Jeakins
Commissioner & CEO
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 27th day of March 2012.

IN THE MATTER of an application from Shell Canada Limited to the Oil and Gas Commission dated December 19, 2011 for Other Than Normal Spacing.

ORDER 12-06-010-OTN

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

DLS 77-19W6M – Sections 19, 30, 31
DLS 77-20W6M – Sections 12, 13, 23-26, 35 and 36.

- 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 27th day of March 2012.

IN THE MATTER of an application from Shell Canada Limited to the Oil and Gas Commission dated December 19, 2011 for a Good Engineering Practice project.

ORDER 12-06-011

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

DLS 78-20W6M – Sections 26, 27, 34 and 35.



Paul Jenkins
Commissioner & CEO
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 27th day of March 2012.

IN THE MATTER of an application from Shell Canada Limited to the Oil and Gas Commission dated December 19, 2011 for Other Than Normal Spacing.

ORDER 12-06-011-OTN

- 1 Under Section 65.1(2) of the *Petroleum and Natural Gas Act*, Other Than Normal Spacing is approved within the Groundbirch field - Doig Phosphate Beds "A" pool within the following area;
DLS 78-20W6M – Sections 26, 27, 34 and 35.

- 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 27th day of March 2012.

IN THE MATTER of an application from Shell Canada Limited to the Oil and Gas Commission dated December 19, 2011 for a Good Engineering Practice project.

ORDER 12-06-012

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

DLS 79-20W6M – Sections 21, 22, 27-29 and 32-34.



Paul Jenkins
Commissioner & CEO
Oil and Gas Commission

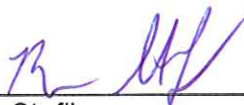
DATED AT the City of Victoria, in the Province of British Columbia, this 27th day of March 2012.

IN THE MATTER of an application from Shell Canada Limited to the Oil and Gas Commission dated December 19, 2011 for Other Than Normal Spacing.

ORDER 12-06-012-OTN

- 1 Under Section 65.1(2) of the *Petroleum and Natural Gas Act*, Other Than Normal Spacing is approved within the Groundbirch field - Doig Phosphate Beds "A" pool within the following area;
DLS 79-20W6M – Sections 21, 22, 27-29 and 32-34.

- 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 27th day of March 2012.

IN THE MATTER of an application from Shell Canada Limited to the Oil and Gas Commission dated December 19, 2011 for a Good Engineering Practice project.

ORDER 12-06-013

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

DLS 80-21W6M – Sections 11, 12 and 14.



Paul Jenkins
Commissioner & CEO
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 27th day of March 2012.

IN THE MATTER of an application from Shell Canada Limited to the Oil and Gas Commission dated December 19, 2011 for Other Than Normal Spacing.

ORDER 12-06-013-OTN

- 1 Under Section 65.1(2) of the *Petroleum and Natural Gas Act*, Other Than Normal Spacing is approved within the Groundbirch field - Doig Phosphate Beds "A" pool within the following area;
DLS 80-21W6M – Sections 11, 12 and 14.

- 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 27th day of March 2012.

IN THE MATTER of an application from Shell Canada Limited to the Oil and Gas Commission dated December 19, 2011 for a Good Engineering Practice project.

ORDER 12-06-014

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

DLS 80-21W6M – Section 34

DLS 81-21W6M – Sections 2-4 and 9-11.



Paul Jeakins
Commissioner & CEO
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 27th day of March 2012.

IN THE MATTER of an application from Shell Canada Limited to the Oil and Gas Commission dated December 19, 2011 for Other Than Normal Spacing.

ORDER 12-06-014-OTN

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

DLS 80-21W6M – Section 34

DLS 81-21W6M – Sections 2-4 and 9-11.

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 27th day of March 2012.