



April 4, 2011

4390-4980-59240-06

Roy Stadlwieser  
Shell Canada Ltd.  
400 – 4<sup>th</sup> Avenue S.W.  
PO Box 100, Station M  
Calgary AB T2P 2H5

Dear Mr. Stadlwieser:

**RE: GOOD ENGINEERING PRACTICE SPECIAL PROJECT  
OTHER THAN NORMAL SPACING ORDER  
GROUND BIRCH FIELD – DOIG PHOSPHATE FORMATION**

The Commission has reviewed your application dated November 8, 2010, requesting approval of a Good Engineering Practice approval for an area within the Groundbirch field – Doig Phosphate formation.

The application is intended to extend development, as gas recovery from this resource benefits from the ability to produce horizontal wells in optimal locations, drilling from central sites.

As a result of recent legislative changes, authorities previously contained in a single approval document for this activity are now covered in the attached;

- 1) Orders 11-06-019 and 11-06-020 designating Good Engineering Practice, Shell Projects #1 and #2, within a portion of the Groundbirch – Doig Phosphate formation as Special Projects under section 75 of the *Oil and Gas Activities Act*, and
- 2) Orders 11-06-019-OTN and 11-06-020-OTN approving Other Than Normal Spacing under section 65.1 of the *Petroleum and Natural Gas Act* for the subject formation and area.

As Good Engineering Practice special projects, the applicant intends to locate, complete and operate wells in a manner to optimize resource recovery while minimizing surface impacts.

Should you have any questions, please contact the undersigned at (250) 419-4421 or Travis Mercure at (250) 419-4448.

Sincerely,

A handwritten signature in blue ink, appearing to read 'R. Slocomb', is written over a light blue horizontal line.

Richard Slocomb, P. Eng.  
Supervisor, Reservoir Engineering  
Resource Conservation

Attachments

IN THE MATTER of an application from Shell Canada Limited to the Commission dated November 8, 2010 for a Good Engineering Practice project

**ORDER 11-06-019**

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

DLS 78-21 W6M Sections 10-15, 22, 24

A handwritten signature in black ink, appearing to read 'Alex Ferguson', is written over a horizontal line. The signature is stylized and extends to the right of the line.

Alex Ferguson  
Commissioner  
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 4 day of April 2011.

IN THE MATTER of an application from Shell Canada Limited to the Commission dated November 8, 2010 for Other Than Normal Spacing.

**ORDER 11-06-019-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 formation within the following area;

DLS 78-21 W6M Sections 10-15, 22 and 24.

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.



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Richard Slocomb  
Supervisor, Reservoir Engineering  
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 4 day of April 2011.

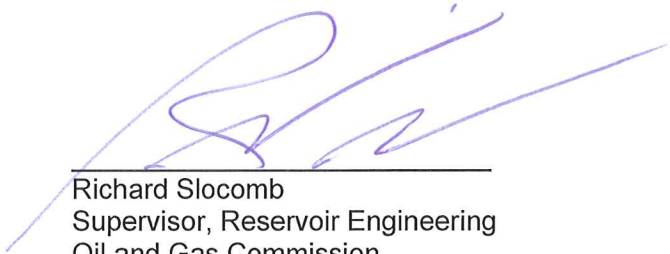
IN THE MATTER of an application from Shell Canada Limited to the Commission dated November 8, 2010 for Other Than Normal Spacing.

**ORDER 11-06-020-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 formation within the following area;

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



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Richard Slocomb  
Supervisor, Reservoir Engineering  
Oil and Gas Commission

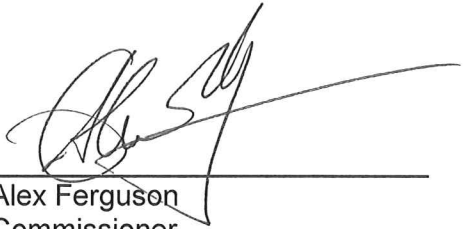
DATED AT the City of Victoria, in the Province of British Columbia, this 4 day of April 2011.

IN THE MATTER of an application from Shell Canada Limited to the Commission dated November 8, 2010 for a Good Engineering Practice project

**ORDER 11-06-020**

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

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



Alex Ferguson  
Commissioner  
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 4 day of April 2011.