

July 23, 2012

6140-5000-59240-06

Byron Woo  
Shell Canada Limited  
1500, 202 – 6<sup>th</sup> Avenue S.W.  
Calgary AB T2P 2R9

Dear Mr. Woo:

**RE: GOOD ENGINEERING PRACTICE SPECIAL PROJECT  
OTHER THAN NORMAL SPACING ORDER  
MONIAS FIELD – MONTNEY FORMATION**

The Commission has noted an error occurred when generating GEP approval Order 12-06-015. The previous issued order with that number is hereby replaced with order 12-06-021, there are no changes other than the approval number. Please replace with the attached, we apologize for any inconvenience.

The Commission maps this area within the Monias field, 2km west from the regional Heritage field - Montney "A" pool. For regulatory purposes, the Commission designates the entire Montney sequence as a single formation, removing commingling as an issue.

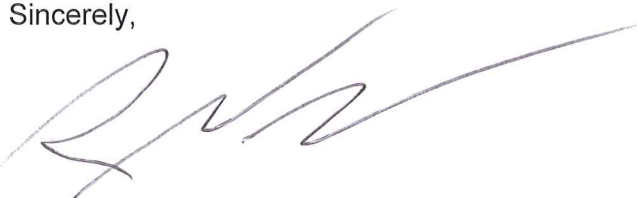
The following Orders are attached;

- 1) Order 12-06-021 designating Good Engineering Practice within the Monias field - Montney formation as a Special Project under section 75 of the *Oil and Gas Activities Act*, and
- 2) Order 12-06-021-OTN approving Other Than Normal Spacing under section 65.1 of the *Petroleum and Natural Gas Act* for the subject formation 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 project includes one gas spacing area.

Should you have any questions, please contact Ron Stefik at (250) 419-4430 or Curtis Kitchen at (250) 419-4443.

Sincerely,



Richard Slocomb, P.Eng.  
Deputy Commissioner  
Oil and Gas Commission

Attachments

IN THE MATTER of an application from Shell Canada Limited to the Oil and Gas Commission dated February 10, 2012 for a Good Engineering Practice project.

**ORDER 12-06-021**

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

DLS Twp 81 Rge 22 W6M          Section 14.



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Richard Slocomb, P.Eng.  
Député Commissioner  
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 23<sup>rd</sup> day of July 2012.

IN THE MATTER of an application from Shell Canada Limited to the Oil and Gas Commission dated February 10, 2012 for Other Than Normal Spacing.

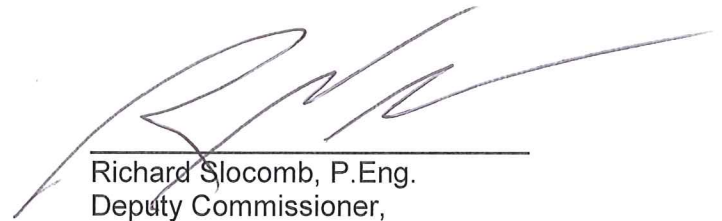
**ORDER 12-06-021-OTN**

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

DLS Twp 81 Rge 22 W6M          Section 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 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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Richard Slocomb, P.Eng.  
Deputy Commissioner,  
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this <sup>23<sup>rd</sup></sup> day of July 2012.