



February 9, 2012

9021-5000-59240-06

Jeff Marshall, P.Eng., CFA
Sr. Reservoir Engineer
Tourmaline Oil Corp.
3700, 250– 6th Avenue S.W.
Calgary AB T2P 3H7

Dear Mr. Marshall:

**RE: GOOD ENGINEERING PRACTICE SPECIAL PROJECT
OTHER THAN NORMAL SPACING ORDER
HERITAGE FIELD – MONTNEY “A” POOL**

The Commission has reviewed your application dated December 22, 2011, requesting approval of Good Engineering Practice for an area within the Heritage field - Montney formation.

The Commission maps this area within the regional Heritage 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) Orders 12-06-005, 12-06-006 and 12-06-007 designating Good Engineering Practice within a portion of the Heritage field - Montney “A” pool as a Special Project under section 75 of the *Oil and Gas Activities Act*, and
- 2) Orders 12-06-005-OTN, 12-06-006-OTN and 12-06-007-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. A buffer of 100m was implemented on the East/West boundary between projects 12-06-005 and 12-06-006, based on Tourmaline’s request and consent from their working interest partner, ARC Resources Ltd.

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

Paul Jeakins
Commissioner & CEO
Oil and Gas Commission

Attachments

IN THE MATTER of an application from Tourmaline Oil Corp. to the Oil and Gas Commission dated December 22, 2011 for a Good Engineering Practice project.

ORDER 12-06-005

- 1 Under Section 75(1)(a) of the *Oil and Gas Activities Act*, the regional Heritage 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;

DLS 79-15 W6M – Sections 28, 29, 32 and 33.



Paul Jenkins
Commissioner & CEO
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this *9th* day of February 2012.

IN THE MATTER of an application from Tourmaline Oil Corp. to the Oil and Gas Commission dated December 22, 2011 for a Good Engineering Practice project.

ORDER 12-06-006

- 1 Under Section 75(1)(a) of the *Oil and Gas Activities Act*, the regional Heritage 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;

DLS 79-15 W6M – Section 31
DLS 80-15 W6M – Sections 5, 6 and 8.



Paul Jenkins
Commissioner & CEO
Oil and Gas Commission

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

IN THE MATTER of an application from Tourmaline Oil Corp. to the Oil and Gas Commission dated December 22, 2011 for a Good Engineering Practice project.

ORDER 12-06-007

- 1 Under Section 75(1)(a) of the *Oil and Gas Activities Act*, the regional Heritage 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;

DLS 80-16 W6M – Section 13.



Paul Jenkins
Commissioner & CEO
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 9th day of February 2012.

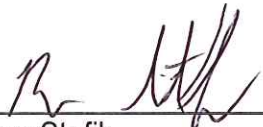
IN THE MATTER of an application from Tourmaline Oil Corp. to the Oil and Gas Commission dated December 22, 2011 for Other Than Normal Spacing.

ORDER 12-06-005-OTN

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

DLS 79-15 W6M – Sections 28, 29, 32 and 33.

- 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, with the exception of the West boundary of Section 32, DLS 79-15 W6M, where the boundary is 100m,
 - 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 9th day of February 2012.

IN THE MATTER of an application from Tourmaline Oil Corp. to the Oil and Gas Commission dated December 22, 2011 for Other Than Normal Spacing.

ORDER 12-06-006-OTN

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

DLS 79-15 W6M – Section 31
DLS 80-15 W6M – Sections 5, 6 and 8.

- 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, with the exception of the East boundary of Section 31, DLS 79-15 W6M, where the boundary is 100m,
- 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 9th day of February 2012.

IN THE MATTER of an application from Tourmaline Oil Corp. to the Oil and Gas Commission dated December 22, 2011 for Other Than Normal Spacing.

ORDER 12-06-007-OTN

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

DLS 80-16 W6M – Section 13.

- 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
Sr Technical Advisor,
Reservoir Engineering
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 7th day of February 2012.