

January 6th, 2021

6460-5000-59240-06

Bruce Gigg
VP Engineering
Kelt Exploration Ltd.
300 – 311 9th Avenue S.W.
Calgary AB T2P 3H2

Dear Mr. Gigg:

**RE: GOOD ENGINEERING PRACTICE SPECIAL PROJECT APPROVAL, AMENDMENT #1
OTHER THAN NORMAL SPACING ORDER
OAK FIELD – MONTNEY ‘B’ POOL**

The Commission has reviewed the application from Kelt Exploration Ltd. (Kelt), dated December 24th, 2020, requesting an amendment to the Good Engineering Practice (GEP) granted on June 30th, 2020 in the Oak field – Montney ‘B’ pool.

Upon acquisition of new data, Kelt has modified the bottomhole location of two planned wells to be located in a section outside of the original approved GEP area. Kelt has requested that the area be amended to include section 16-87-18W6.

The following Orders are attached:

- 1) Order 20-06-001 Amendment #1 designating Good Engineering Practice within a portion of the Oak field Montney formation as a Special Project under section 75 of the *Oil and Gas Activities Act*, and
- 2) Order 20-06-001 – OTN Amendment #1 approving Other Than Normal Spacing under section 65.1 of the *Petroleum and Natural Gas Act* for the subject pool and area.

Should you have any questions, please contact Logan Gray at (250) 419-4430 or the undersigned at (250) 419-4430.

Sincerely,



Ron Stefik, Eng.L.
Supervisor, Reservoir Engineering
Oil and Gas Commission

Attachments

IN THE MATTER of an application from Kelt Exploration Ltd. to the Oil and Gas Commission dated December 24th, 2020 for a Good Engineering Practice project.

ORDER 20-06-001 Amendment #1

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

DLS	Twp 86 Rge 18 W6M	Sections 1-3, 10-15, 22-36
	Twp 86 Rge 19 W6M	Sections 25, 35, 36
	Twp 87 Rge 17 W6M	Sections 6-9, 15-18, 20-22, 28
	Twp 87 Rge 18 W6M	Sections 1-16, 22-24, 26
	Twp 87 Rge 19 W6M	Sections 1, 12



Ron Stefik, Eng.L.
Supervisor, Reservoir Engineering
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 6th day of January 2021.

IN THE MATTER of an application from Kelt Exploration Ltd. to the Oil and Gas Commission dated December 24th, 2020 for Other Than Normal Spacing.

ORDER 20-06-001 Amendment #1 – OTN

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

DLS	Twp 86 Rge 18 W6M	Sections 1-3, 10-15, 22-36
	Twp 86 Rge 19 W6M	Sections 25, 35, 36
	Twp 87 Rge 17 W6M	Sections 6-9, 15-18, 20-22, 28
	Twp 87 Rge 18 W6M	Sections 1-16, 22-24, 26
	Twp 87 Rge 19 W6M	Sections 1, 12

- 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 target area specified in paragraph (a) 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, Eng.L.
Supervisor, Reservoir Engineering
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 6th day of January 2021.