



January 6, 2011

9030-2800-59240-06

Greg Frolek, P. Eng.
Artek Exploration Ltd.
840, 400 – 3rd Ave SW
CALGARY, AB T2P 4H2

Dear Mr. Frolek:

**RE: GOOD ENGINEERING PRACTICE SPECIAL PROJECT
OTHER THAN NORMAL SPACING ORDER
DEEP BASIN FIELD – CADOMIN “A” POOL**

The Commission has reviewed your application, dated November 25, 2010, requesting approval of Good Engineering Practice for an area within the Deep Basin field – Cadomin formation.

The Commission maps the area of application within the Deep Basin field Cadomin “A” pool. Gas recovery from this tight formation would benefit from the ability to produce horizontal wells in optimal locations.

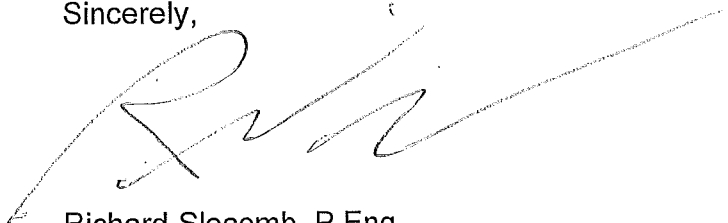
As a result of recent legislative changes, authorities previously contained in a single approval document for this activity are now covered in the attached;

- 1) Order 11-06-001 designating Good Engineering Practice within a portion of the Deep Basin field Cadomin “A” pool as a Special Project under section 75 of the *Oil and Gas Activities Act*, and
- 2) Order 11-06-001–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. No objections were received following posting of a notice of application on the OGC website.

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

Sincerely,



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

Attachments

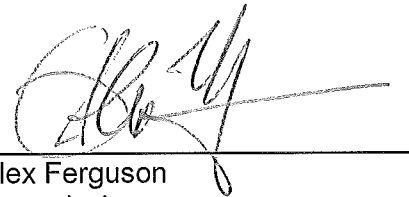
IN THE MATTER of an application from Artek Exploration Ltd. Inc. to the Commission dated November 25, 2010 for a Good Engineering Practice project.

ORDER 11-06-001

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

NTS 93-P-1 Block L Units 20, 30, 40, 50

NTS 93-P-2 Block I Units 11, 21, 31-35, 41-45.



Alex Ferguson
Commissioner
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 6 day of January 2011.

IN THE MATTER of an application from Artek Exploration Ltd. Inc. to the Commission dated November 25, 2010 for Other Than Normal Spacing.

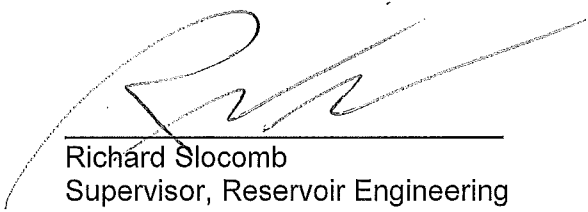
ORDER 11-06-001-OTN

1 Under Section 65.1(2) of the *Petroleum and Natural Gas Act*, Other Than Normal Spacing is approved within a portion of the Deep Basin field – Cadomin “A” pool within the following area;

NTS 93-P-1 Block L Units 20, 30, 40, 50
NTS 93-P-2 Block I Units 11, 21, 31-35, 41-45.

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.



Richard Slocomb
Supervisor, Reservoir Engineering
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 6 day of January 2011.