



August 13, 2015

8100-4100-59240-06

Jeremy Zakresky, P.Eng.
Leucrotta Exploration Inc.
700, 639 – 5th Avenue S.W.
Calgary AB T2P 0M9

Dear Mr. Zakresky:

**RE: GOOD ENGINEERING PRACTICE (GEP) SPECIAL PROJECT
OTHER THAN NORMAL SPACING ORDER
STODDART WEST FIELD - BALDONNEL "C" POOL**

The Commission has reviewed the application from Leucrotta Exploration Inc. (Leucrotta), dated July 7th, 2015, requesting approval of Good Engineering Practice (GEP) within the Stoddart West field – Baldonnel "C" oil pool.

Production from this pool commenced in 2004, currently with four active wells, one of which is operated by Leucrotta. The GEP application area consists of eight DSUs where only three of these are within the current pool boundary. The Commission is currently of the opinion that the application area, outside the current pool boundary, is not part of the Baldonnel "C" pool and will not be included at this time. Should future drilling show that the pool extends further to the east, a GEP amendment can be requested.

The following Orders are attached:

- 1) Order 15-06-002 designating Good Engineering Practice within a portion of the Stoddart West field Baldonnel "C" pool as a Special Project under section 75 of the *Oil and Gas Activities Act*, and
- 2) Order 15-06-002 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 posting of a notice of application on the OGC website.

Should you have any questions, please contact Petra Kriescher-Trudgeon at (250) 419-4415 or the undersigned at (250) 419-4430.

Sincerely,

A handwritten signature in black ink, appearing to read "Ron Stefik", is written over a horizontal line.

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

IN THE MATTER of an application from Leucrotta Exploration Inc. to the Oil and Gas Commission dated July 7th, 2015 for a Good Engineering Practice project.

ORDER 15-06-002

- 1 Under Section 75(1)(a) of the *Oil and Gas Activities Act*, a portion of the Stoddart West field – Baldonnel “C” pool is designated as a special project for the recovery of oil utilizing Good Engineering Practice within the following area;

DLS Twp 87 Rge 21 W6M W/2 Section 36

 Twp 88 Rge 21 W6M SW/4 Section 1

- 2 Under section 75(2) of the *Oil and Gas Activities Act*, I specify the following:
 - a) Oil wells are exempt from the provisions of section 54 of the *Drilling and Production Regulation*, daily oil allowable, pursuant to section 4(1)(p).
 - b) The project unadjusted daily oil allowable is 31.4 m³/d



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

DATED AT the City of Victoria, in the Province of British Columbia, this 13th day of August 2015.

IN THE MATTER of an application from Leucrotta Exploration Inc. to the Oil and Gas Commission dated July 7th, 2015 for Other Than Normal Spacing.

ORDER 15-06-002-OTN

- 1 Under Section 65.1(2) of the *Petroleum and Natural Gas Act*, Other Than Normal Spacing is approved within the Stoddart West field – Baldonnel “C” pool within the following area;

DLS Twp 87 Rge 21 W6M W/2 Section 36

 Twp 88 Rge 21 W6M SW/4 Section 1

- 2 Under section 65.1(3) of the *Petroleum and Natural Gas Act*, I specify the following:

- a) the target area for an oil well completed within the project area is not nearer than 100 m to the sides of the Other Than Normal Spacing area,
- b) an oil well completed outside the target area specified in paragraph (a) may be subject to an off-target production penalty,
- c) oil 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 13th day of August 2015.