



October 10, 2008

INFORMATION LETTER #OGC 08-15

Subject: Regional Fields and Heritage Montney ‘A’ Pool Mapping

To: Industry Clients

Traditional pool definitions are difficult to apply to pervasive low permeability gas charged systems. As a result, the BC Oil and Gas Commission (OGC) established the concept of regional fields and pools to categorize large, unconventional natural gas accumulations. A regional field will be zone-specific and will not replace conventional field and pool delineations.

For the purpose of mapping an unconventional Montney gas accumulation, the OGC designated a new regional heritage field Montney “A” gas pool. This field and pool currently encompasses previous Montney pools in the Sunset Prairie, Sundown, Sunrise, Swan Lake, Dawson Creek and Parkland fields (see attached map). The field and pool area will be amended as additional information is evaluated.

For regulatory purposes, the OGC recognizes a single Montney formation without sub-units.

Due to the low permeability in this field and limited individual well drainage areas, the OGC is approving Good Engineering Practice (GEP) area applications that give latitude in well placement and density in order to improve gas recovery. The normal border set-back of 250 m to avoid gas off-target production penalty along the margin of a GEP area may be decreased where the OGC is provided evidence that the off-setting rights holder is in agreement. GEP approvals granted for the Montney formation in the various fields in the subject area will be amended in OGC records to the Heritage Montney “A” pool.

If you have any questions regarding the above, please contact:

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