

February 16, 2011

0320-4997-59240-06

Chad Holowatuk
VP Reservoir Engineering
Canbriam Energy Inc.
500, 521 – 3rd Ave SW
CALGARY, AB T2P 3T3

Dear Mr. Holowatuk:

**RE: GOOD ENGINEERING PRACTICE SPECIAL PROJECT, AMENDMENT #2
OTHER THAN NORMAL SPACING ORDER, AMENDMENT #2
ALTARES FIELD – DOIG PHOSPHATE-MONTNEY “A” POOL**

The Commission has reviewed your application, dated February 1, 2011, requesting target area amendment of a Good Engineering Practice for an area within the Altares field – Doig Phosphate/Montney formation.

The Commission maps the area of application within the Altares field Doig Phosphate-Montney “A” pool. As a compound formation pool, commingled production applications or notifications are not required. Gas recovery from this low permeability resource will benefit from the ability to produce horizontal wells in optimal locations, drilling from central sites.

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 09-06-006 (Amendment #2) designating Good Engineering Practice within a portion of the Altares field Doig Phosphate-Montney “A” pool as Special Projects under section 75 of the *Oil and Gas Activities Act*, and
- 2) Order 09-06-006–OTN (Amendment #2) 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.

Please note only the target area has been modified; all other conditions remain unchanged.

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 Canbriam Energy Inc. to the Commission dated February 1, 2011 for a Good Engineering Practice project.

ORDER 09-06-006 (AMENDMENT #2)

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

NTS 94-A-05 Block D – units 20, 30, 40, 50, 60, 70, 80, 90

NTS 94-B-08 Block A - units 11-15, 21-25, 31-35, 41-45, 51-55, 61-65, 71-75, 81-85, 92-95
Block H - units 2-5, 12-15, 22-25, 32-35, 42-45, 52-55, 62-65, 74, 75, 84 and 85.



Alex Ferguson
Commissioner
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 16 day of February 2011.

IN THE MATTER of an application from Canbriam Energy Inc. to the Commission dated February 1, 2011 for Other Than Normal Spacing.

ORDER 09-06-006-OTN (AMENDMENT #2)

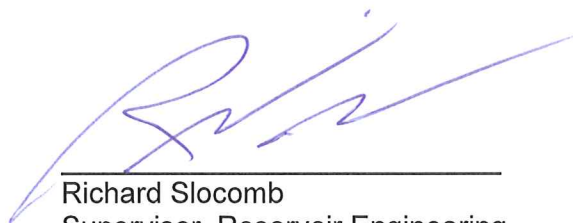
- 1 Under Section 65.1(2) of the *Petroleum and Natural Gas Act*, Other Than Normal Spacing is approved within a portion of the Altares field – Doig Phosphate-Montney “A” pool within the following area;

NTS 94-A-05 Block D – units 20, 30, 40, 50, 60, 70, 80, 90

NTS 94-B-08 Block A - units 11-15, 21-25, 31-35, 41-45, 51-55, 61-65, 71-75, 81-85, 92-95
Block H - units 2-5, 12-15, 22-25, 32-35, 42-45, 52-55, 62-65, 74, 75, 84 and 85.

- 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.



Richard Slocomb
Supervisor, Reservoir Engineering
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 16 day of February 2011.