

April 12, 2011

3450-8200-59240-06

Claire Galvin
Husky Oil
Foothills/NW Plains Business Unit
707 8th Avenue S.W.
Box 6525, Station D
Calgary AB T2P 3G7

Dear Ms. Galvin:

RE:

GOOD ENGINEERING PRACTICE SPECIAL PROJECT OTHER THAN NORMAL SPACING ORDER

EKWAN FIELD - JEAN MARIE "A" POOL

The Commission has reviewed your application dated February 7, 2011, requesting approval of a Good Engineering Practice approval for an area within the Ekwan field Jean Marie formation. The Commission maps this area within the Ekwan Jean Marie "A" pool.

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 11-06-021 designating Good Engineering Practice within a portion of the Ekwan Jean Marie "A" pool as a Special Project under section 75 of the *Oil and Gas Activities Act*, and
- 2) Order 11-06-021-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.

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 Husky Oil to the Commission dated February 7, 2011 for a Good Engineering Practice project

ORDER 11-06-021

1 Under Section 75(1)(a) of the *Oil and Gas Activities Act*, the Ekwan field Jean Marie "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-I-07	Block I	Units 96-100
NTS 94-I-07	Block J	Units 91
NTS 94-I-07	Block K	Units 94-97
NTS 94-I-07	Block L	Units 94-97
NTS 94-I-09	Block C	Units 80, 90, 100
NTS 94-I-09	Block D	Units 52-55, 62-65, 71-100
NTS 94-I-09	Block E	Units 1-35, 41-45, 51, 61, 71, 81
NTS 94-I-09	Block F	Units 10, 20, 30, 36-40, 46-50, 56-60, 66-70, 76-80, 86-90
NTS 94-I-10	Block A	Units 6-10, 16-19, 26-29, 36-39, 46-49, 54-60, 64-91, 96-100
NTS 94-I-10	Block B	Units 1, 40, 50, 51, 60, 61, 70, 71, 81, 91-93
NTS 94-I-10	Block C	Units 4-7, 12-20, 22-70, 72-80, 82-90, 94-100
NTS 94-I-10	Block D	Units 4-7, 11-19, 21-29, 31-37, 41-47, 51-57, 61-67, 71-77,
		81-87, 91-97
NTS 94-I-10	Block E	Units 1-7, 11, 21, 31, 41
NTS 94-I-10	Block F	Units 4-59, 61-69, 71-73, 81-83
NTS 94-I-10	Block G	Units 1-3, 12-20, 22-30, 34-40, 44-51, 54-61, 64-71, 78-81,
		88-91, 98, 99
NTS 94-I-10	Block H	Units 1, 6-11, 21, 32-37, 42-47, 54-60, 64-70, 76-80, 86-90,
		96-100
NTS 94-I-10	Block I	Units 6-10, 16, 17, 26, 27, 34-37, 44-47, 54-57, 64-67, 74-80, 84-90
NTS 94-I-10	Block J	Units 1, 71 and 81.

Alex Ferguson Commissioner

Oil and Gas Commission

IN THE MATTER of an application from Husky Oil to the Commission dated February 7, 2011 for Other Than Normal Spacing.

ORDER 11-06-021-OTN

1 Under Section 65.1(2) of the *Petroleum and Natural Gas Act*, Other Than Normal Spacing is approved within the Ekwan field Jean Marie "A" pool within the following area:

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NTS 94-I-07
              Block I
                          Units 96-100
NTS 94-I-07
             Block J
                          Units 91
NTS 94-I-07
              Block K
                          Units 94-97
                          Units 94-97
NTS 94-I-07
              Block L
                          Units 80, 90, 100
NTS 94-I-09
              Block C
NTS 94-I-09
              Block D
                          Units 52-55, 62-65, 71-100
NTS 94-I-09
              Block E
                          Units 1-35, 41-45, 51, 61, 71, 81
NTS 94-I-09
              Block F
                          Units 10, 20, 30, 36-40, 46-50, 56-60, 66-70, 76-80, 86-90
NTS 94-I-10
              Block A
                          Units 6-10, 16-19, 26-29, 36-39, 46-49, 54-60, 64-91, 96-100
NTS 94-I-10
              Block B
                          Units 1, 40, 50, 51, 60, 61, 70, 71, 81, 91-93
NTS 94-I-10
              Block C
                          Units 4-7, 12-20, 22-70, 72-80, 82-90, 94-100
NTS 94-I-10
                          Units 4-7, 11-19, 21-29, 31-37, 41-47, 51-57, 61-67, 71-77,
              Block D
                               81-87, 91-97
NTS 94-I-10 Block E
                          Units 1-7, 11, 21, 31, 41
NTS 94-I-10
             Block F
                          Units 4-59, 61-69, 71-73, 81-83
NTS 94-I-10 Block G
                          Units 1-3, 12-20, 22-30, 34-40, 44-51, 54-61, 64-71, 78-81,
                               88-91, 98, 99
                          Units 1, 6-11, 21, 32-37, 42-47, 54-60, 64-70, 76-80, 86-90,
NTS 94-I-10
             Block H
                               96-100
NTS 94-I-10
             Block I
                          Units 6-10, 16, 17, 26, 27, 34-37, 44-47, 54-57, 64-67, 74-80, 84-90
NTS 94-I-10
              Block J
                          Units 1, 71 and 81.
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- 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 / 2day of April 2011.