



August 24<sup>th</sup>, 2015

2000-4800-59240-07

Enrico DeLauretis  
Manager, Reservoir Engineering  
Venturion Oil Limited  
1600, 500 – 4<sup>th</sup> Ave S.W.  
CALGARY, AB T2P 2V6

Dear Mr. DeLauretis:

**RE: CONCURRENT PRODUCTION APPROVALS**  
**BOUNDARY LAKE FIELD – HALFWAY “K” POOL, AMENDMENT #2**  
**BOUNDARY LAKE FIELD – HALFWAY “M” POOL, AMENDMENT #2**

The Commission has reviewed the submission, dated June 19<sup>th</sup>, 2015, requesting delineation review of the Boundary Lake field – Halfway ‘K’ pool, in anticipation of a waterflood project. Examination of pool mapping, reservoir pressure and production data resulted in remapping the boundaries of the Halfway “K” and “M” pools. Consequently, well 100/04-16-086-13W6/02 (WA# 14854) has been reassigned from the Halfway “K” pool to the Halfway “M” pool. This has resulted in the adjustment of project DOA and DGL values. The Halfway “K” pool DOA and DGL decreased to 78.2 m<sup>3</sup>/d and 30.4 e<sup>3</sup>m<sup>3</sup>/d respectively, whereas the Halfway “M” pool DOA and DGL increased to 84.1 m<sup>3</sup>/d and 27.2 e<sup>3</sup>m<sup>3</sup>/d respectively.

The following Orders are attached;

- 1) Order 11-07-001 Amendment #2 designating Concurrent Production for the Boundary Lake field – Halfway “K” pool, as a Special Project under section 75 of the *Oil and Gas Activities Act*, and
- 2) Order 11-07-001-OTN Amendment #2 approving Other Than Normal Spacing under section 65.1 of the *Petroleum and Natural Gas Act* for the Boundary Lake field – Halfway “K” pool.
- 3) Order 11-07-002 Amendment #2 designating Concurrent Production for the Boundary Lake field – Halfway “M” pool, as a Special Project under section 75 of the *Oil and Gas Activities Act*, and
- 4) Order 11-07-002-OTN Amendment #2 approving Other Than Normal Spacing under section 65.1 of the *Petroleum and Natural Gas Act* for the Boundary Lake field – Halfway “M” pool.

Venturion re-perforated and acidized the upper Halfway zone in the 8-8 well, opening up the small gas cap. This caused a significant GOR increase, exceeding the DGL specified above. Venturion agreed to block of the upper perforations to decrease the gas production from this well, aligning them to the assigned DGL. This approval is conditioned on this action and will be reviewed in 12 months.

The Commission looks forward to working further with Venturion to improve hydrocarbon recovery from the Boundary Lake field.

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

Sincerely,

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

Attachments

IN THE MATTER of an application from Venturion Oil Limited to the Commission dated June 19<sup>th</sup>, 2015 for amendment of the Halfway "K" Pool Concurrent Production project.

**ORDER 11-07-001 AMENDMENT #2**

1. Under Section 75(1)(a) of the *Oil and Gas Activities Act*, the Boundary Lake field – Halfway "K" pool is designated as a special project for enhanced recovery of petroleum and natural gas utilizing Concurrent Production within the following area;

DLS Twp 86 Rge 13 W6M – NW/4 Fractional Section 4  
DLS Twp 86 Rge 13 W6M – NE/4 Section 5  
DLS Twp 86 Rge 13 W6M – Section 8  
DLS Twp 86 Rge 13 W6M – W/2 Fractional Section 9  
DLS Twp 86 Rge 13 W6M – SE/4 Section 17.

2. The project daily oil allowable is 78.2 m<sup>3</sup>.
3. The project daily gas limit is 30.4 10<sup>3</sup>m<sup>3</sup>.
4. All produced gas must be conserved.

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

DATED AT the City of Victoria, in the Province of British Columbia, this 24<sup>th</sup> day of August 2015.

IN THE MATTER of an application from Venturion Oil Limited to the Commission dated June 19, 2015 for Other Than Normal Spacing.

**ORDER 11-07-001-OTN AMENDMENT #2**

1 Under Section 65.1(2) of the *Petroleum and Natural Gas Act*, Other Than Normal Spacing is approved within the Boundary Lake field Halfway "K" oil pool within the following area;

DLS Twp 86 Rge 13 W6M – NW/4 Fractional Section 4  
DLS Twp 86 Rge 13 W6M – NE/4 Section 5  
DLS Twp 86 Rge 13 W6M – Section 8  
DLS Twp 86 Rge 13 W6M – W/2 Fractional Section 9  
DLS Twp 86 Rge 13 W6M – SE/4 Section 17.

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 specified target area may be subject to an off-target production penalty,
- c) oil wells drilled within the specified project area are not subject to spacing requirements.

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

DATED AT the City of Victoria, in the Province of British Columbia, this 24<sup>th</sup> day of August 2015.

IN THE MATTER of an application from Venturion Oil Limited to the Commission dated June 19<sup>th</sup>, 2015 for amendment of the Halfway "M" Pool Concurrent Production project.

**ORDER 11-07-002 AMENDMENT #2**

1. Under Section 75(1)(a) of the *Oil and Gas Activities Act*, the Boundary Lake field – Halfway "M" pool is designated as a special project for enhanced recovery of petroleum and natural gas utilizing Concurrent Production within the following area;

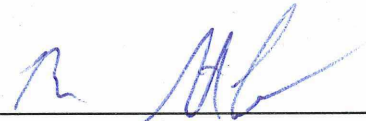
DLS Twp 86 Rge 13 W6M – W/2 Fractional Section 16

DLS Twp 86 Rge 13 W6M – NE/4 Section 17

DLS Twp 86 Rge 13 W6M – Section 20

DLS Twp 86 Rge 13 W6M – W/2 Fractional Section 21.

2. The project daily oil allowable is 84.1 m<sup>3</sup>.
3. The project daily gas limit is 27.2 10<sup>3</sup>m<sup>3</sup>.
4. All produced gas must be conserved.



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

DATED AT the City of Victoria, in the Province of British Columbia, this 29<sup>th</sup> day of August 2015.

IN THE MATTER of an application from Venturion Oil Limited to the Commission dated June 19<sup>th</sup>, 2015 for Other Than Normal Spacing.

**ORDER 11-07-002-OTN AMENDMENT #2**

- 1 Under Section 65.1(2) of the *Petroleum and Natural Gas Act*, Other Than Normal Spacing is approved within the Boundary Lake field Halfway "M" oil pool within the following area;  
  - DLS Twp 86 Rge 13 W6M – W/2 Fractional Section 16
  - DLS Twp 86 Rge 13 W6M – NE/4 Section 17
  - DLS Twp 86 Rge 13 W6M – Section 20
  - DLS Twp 86 Rge 13 W6M – W/2 Fractional Section 21.
  
- 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 specified target area may be subject to an off-target production penalty,
  - c) oil wells drilled within the specified project area are not subject to spacing requirements.

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

DATED AT the City of Victoria, in the Province of British Columbia, this 24<sup>th</sup> day of August 2015.