

April 15, 2015

9046-8285-59240-15

Lindsey van der Lee, P.Eng.  
Exploitation Engineer – Liard Asset Team  
Nexen Energy ULC  
801 - 7<sup>th</sup> Avenue SW  
Calgary, AB T2P 3P7

Dear Ms. van der Lee:

**RE: INNOVATIVE TECHNOLOGY SPECIAL PROJECT APPROVAL  
LIARD FIELD – HORN RIVER SHALE FORMATION**

The Commission has reviewed your application, dated March 23, 2015, requesting approval for a Special Project utilizing Innovative Technology in the Liard field for the Besa River shale formations. A supporting presentation was made by Nexen Energy ULC staff to the Commission on March 25, 2015. Within the application areas are two existing wells;

- Nexen Energy La Jolie c-66-I/94-N-9 (WA# 28288)
- Nexen Energy Beaver River b-44-G/94-N-16 (WA# 29046)

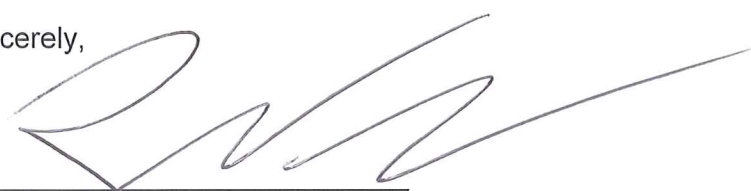
The Commission finds that the application meets the definition of innovative technology as contained under Section 10 of the Oil and Gas Activities Act General Regulation. Specifically, that the Horn River shale in the Liard field are unproven to produce petroleum or natural gas with the technology employed.

Attached are Orders 15-15-001 and 15-15-002 for Special Projects for Innovative Technology under Section 75 of the Oil and Gas Activity Act.

Well reports and well data will be subject to the confidentiality provisions of Section 17 of the General Regulation. As specified in each Order, the confidential period is based on three years from the date of rig release of the initial well to obtain information to evaluate this formation, WA# 28288, under section 17(2) of the Regulation.

Should you have any questions, please contact Ron Stefik, Supervisor, Reservoir Engineering, at (250) 419-4430.

Sincerely,



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Richard Slocomb, P.Eng.  
Deputy Commissioner, Engineering  
Oil and Gas Commission

## ORDER 15-15-002

- 1 Under Section 75(1)(b) of the *Oil and Gas Activities Act*, the Commission designates a Special Project for Innovative Technology, into the Liard field - Horn River shale formation, for the well Nexen Energy Beaver River b-44-G/94-N-16 (WA# 29046) in the following area:  
NTS 94-N-16 Block G Units – 34, 35, 44, 45.
- 2 Under section 75(2) of the *Oil and Gas Activities Act*, the special project designation in this Order is subject to the following conditions. The Permit Holder shall:
  - a) submit all well reports and well data required under the Drilling and Production Regulation to the Commission by the prescribed dates under the Regulation.
- 3 Well reports and well data are subject to the confidentiality provisions of Section 17 of the General Regulation until the date of October 8, 2016.
- 4 A condition of this Order may be modified or rescinded, if deemed appropriate.



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Richard Slocomb, P.Eng.  
Deputy Commissioner, Engineering  
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 15<sup>th</sup> day of April, 2015.