

December 10, 2020

8000-4520-59240-06

Allan Bertram, P.Eng. Pavilion Energy Corp. 2150, 736 – 6th Avenue S.W. Calgary AB T2P 3T7

Dear Mr. Bertram:

RE: GOOD ENGINEERING PRACTICE (GEP) SPECIAL PROJECT

OTHER THAN NORMAL SPACING ORDER STODDART FIELD - CECIL "B" POOL

The Commission has reviewed the application from Pavilion Energy Corp. (Pavilion), dated November 16th, 2020, requesting approval of Good Engineering Practice (GEP) within the Stoddart field – Cecil 'B' oil pool.

The Stoddart Cecil 'B' oil pool was discovered by the drilling of well Pavilion Stoddart A6-19-86-19, WA 3723, in March 1976. The well produced intermittently due to scaling and wax problems and was shut-in November 1991. Well A6-19 re-commenced production in October 2000. The recompletion of well Pavilion Stoddart 6-19-86-19, WA 2575, in the Cecil 'B' pool would accelerate production to maintain economic rates and increase reserves recovery.

The following Orders are attached:

- 1) Order 20-06-002 designating Good Engineering Practice within a portion of the Stoddart field Cecil "B" pool as a Special Project under section 75 of the *Oil and Gas Activities Act*, and
- 2) Order 20-06-002 OTN approving Other Than Normal Spacing under section 65.1 of the *Petroleum and Natural Gas Act* for the subject pool 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. No objections were received following posting of a notice of application on the OGC website.

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

Cc': John Behr, P.Geo.



IN THE MATTER of an application from Pavilion Energy Corp. to the Oil and Gas Commission dated November 16th, 2020 for a Good Engineering Practice project.

ORDER 20-06-002

- Under Section 75(1)(a) of the Oil and Gas Activities Act, a portion of the Stoddart field Cecil "B" pool is designated as a special project for the recovery of oil utilizing Good Engineering Practice within the following area;
 - DLS Twp 86 Rge 19 W6M SW/4 Section 19
- 2 Under section 75(2) of the Oil and Gas Activities Act, I specify the following:
 - a) The project unadjusted daily oil allowable is 13.0 m³/d

Ron Stefik, Eng.L.

Supervisor, Reservoir Engineering

Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 10th day of December 2020.



IN THE MATTER of an application from Pavilion Energy Corp. to the Oil and Gas Commission dated November 16th, 2020 for Other Than Normal Spacing.

ORDER 20-06-002-OTN

- Under Section 65.1(2) of the Petroleum and Natural Gas Act, Other Than Normal Spacing is approved within the Stoddart field – Cecil "B" pool within the following area;
 - **DLS** Twp 86 Rge 19 W6M SW/4 Section 19
- 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 target area specified in paragraph (a) may be subject to an off-target production penalty,
 - c) oil wells drilled within the specified project area are not subject to spacing requirements.

Ron Stefik, Eng.L.

Supervisor, Reservoir Engineering

Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 10th day of December 2020.