

April 23, 2013

2020-4800-59240-07

Brian Goodfellow
Vice President Operations & Production
Venturion Oil Limited
1600, 500 – 4th Ave. SW
CALGARY, AB T2P 2V6

Dear Mr. Goodfellow:

**RE: CONCURRENT PRODUCTION SPECIAL PROJECT, AMENDMENT #1
OTHER THAN NORMAL SPACING ORDER, AMENDMENT #1
BOUNDARY LAKE NORTH FIELD – HALFWAY ‘D’ POOL**

The Commission has reviewed your application, dated March 27, 2013, requesting amendment to the Concurrent Production approval for the Boundary Lake North field – Halfway ‘D’ pool, specifically the Daily Oil Allowable (DOA) value.

This approval, granted November 7, 1986 and remapped/amended April 18, 1995, recognized a project DOA of 10 m³ in association with a single producing oil well (8-31-87-14). A gas cap well (6-29) and another well (14-29) were included in the project but were not producing at the time. In 2001, the status of 6-29 was changed to an oil well. In March of 2004, 12-29 was added to the project. With 3 wells now producing from the pool an increased DOA is requested, based on current depth-based allowable calculations.

Increasing the project Oil Allowable would encourage recovery by the drilling of additional wells, without significantly sacrificing recoverable oil and gas reserves. The Commission calculates a depth based DOA of 41.4 m³/d (sum of individual wells), with a Daily Gas Limit (DGL) of 7.3 e³m³/d. The DGL is based on a GOR value of 177.3 m³/m³, the normal limit above which a GOR adjustment factor applies.

The following Orders are attached:

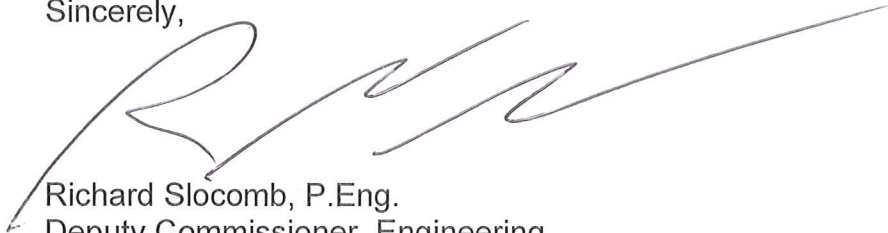
- 1) Order 95-07-006 Amendment #1 designating Concurrent Production for the Boundary Lake field - Halfway ‘D’ pool as a Special Project under section 75 of the *Oil and Gas Activities Act*, and
- 2) Order 95-07-006-OTN Amendment #1 approving Other Than Normal Spacing under section 65.1 of the *Petroleum and Natural Gas Act* for the subject field and pool (formerly conferred under GEP approval).

The Commission currently maps the Halfway ‘D and ‘I’ pools separately in the Boundary Lake North area. Should Venturion Oil Limited wish to have the pool interpretation re-evaluated for horizontal drilling opportunities or waterflood approval, submission of relevant data is required. The Oil and Gas Commission website contains several useful guidelines for application submission at [Reservoir Engineering Project Guidelines](#). The

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

Should you have any questions, please contact Ron Stefik at (250) 419-4430 or Michelle Gaucher (250) 419-4482.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Slocomb', written over a horizontal line.

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

Attachments

IN THE MATTER of an application from Venturion Oil Limited to the Commission dated March 27, 2013 for a Concurrent Production project amendment.

ORDER 95-07-006 (Amendment #1)

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

DLS Twp 87 Rge 14 W6M - Section 29 and SE 1/4 of Section 31.

2 Under section 75(2) of the *Oil and Gas Activities Act*, I specify the following:

- a) The project daily oil allowable is 41.4 m³.
- b) The project daily gas limit is 7.3 10³m³.
- c) All produced gas must be conserved.



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

DATED AT the City of Victoria, in the Province of British Columbia, this 23 day of April 2013.

IN THE MATTER of an application from Venturion Oil Limited to the Commission dated March 27, 2013 for Other Than Normal Spacing.

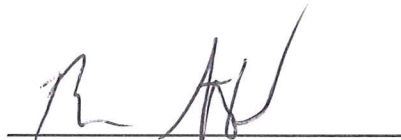
ORDER 95-07-006-OTN (Amendment #1)

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

DLS Twp 87 Rge 14 W6M - Section 29 and SE/4 of Section 31.

- 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.



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

DATED AT the City of Victoria, in the Province of British Columbia, this 23 day of April 2013.