

August 21, 2014

4900-4900-59240-06

Jennifer Lemieux
Operations Technician
Artek Exploration Ltd.
2300, 520 – 5th Avenue S.W.
Calgary, Alberta T2P 3R7

Dear Ms. Lemieux:

**RE: GOOD ENGINEERING PRACTICE SPECIAL PROJECT, AMENDMENT #5
OTHER THAN NORMAL SPACING ORDER
INGA FIELD – DOIG FORMATION**

The Commission has reviewed your applications, dated July 31 and Aug 15, 2014, requesting amendments of Good Engineering Practice approvals for areas within the Inga field – Doig formation.

The area being applied for is mapped as an extension of the existing Artek gas GEP lands to the north and south. GEP, 08-06-040 Amendment #5, merges the approved GEP 13-06-009 including the requested sections 27 and 28 - 87-23 with the area included in GEP 08-06-040 amendment #4. Gas target area boundaries are unchanged from previous amendments. GEP 13-06-009 is hereby terminated.

The nearby Inga Doig A oil pool, a single well pool at 4-29-87-23W6 (WA 11409), is mapped as a separate feature. The primary product in this GEP area is expected to be gas, but may be oil, in which case a GEP amendment would be required.

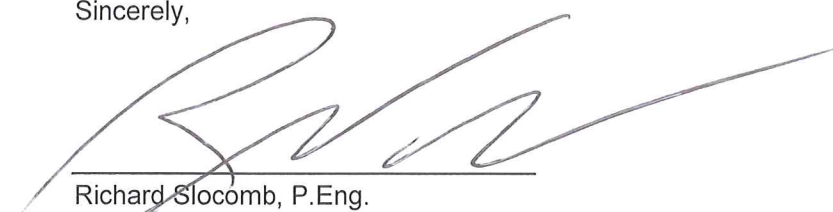
The following Orders are attached:

- 1) Order 08-06-040 Amendment #5 designating Good Engineering Practice within a portion of the Inga field Doig formation as a Special Project under section 75 of the *Oil and Gas Activities Act*, and
- 2) Order 08-06-040 Amendment #5 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 Petra Kriescher-Trudgeon at (250) 419-4415 or Ron Stefik at (250) 419-4430.

Sincerely,



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

Attachments

IN THE MATTER of an application from Artek Exploration Ltd. to the Commission dated July 31 and Aug 15, 2014 for a Good Engineering Practice project.

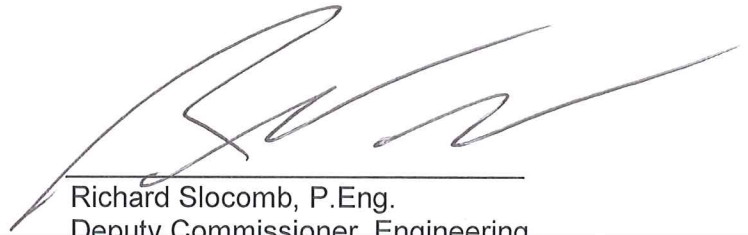
ORDER 08-06-040 Amendment #5

- 1 Under Section 75(1)(a) of the *Oil and Gas Activities Act*, a portion of the Inga field – Doig formation is designated as a special project for the enhanced recovery of natural gas utilizing Good Engineering Practice within the following area;

DLS Twp 87 Rge 23 W6M Sections 8, 9, 16, 17, 20, 21, 27, 28, 33 and 34

DLS Twp 88 Rge 23 W6M Sections 2 - 4, 9 - 12, 14, 15, 22, 23, 26, 27 and Fractional Sections 34F and 35F.

NTS 94-A-12 Block I Units 14, 15, 24, 25 and Fractional Units 4F, 5F, 6F and 7F



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

DATED AT the City of Victoria, in the Province of British Columbia, this ^{21st} day of August 2014.

IN THE MATTER of an application from Artek Exploration Ltd. to the Commission dated July 31 and Aug 15, 2014 for Other Than Normal Spacing.

ORDER 08-06-040 Amendment #5 - OTN

- 1 Under Section 65.1(2) of the *Petroleum and Natural Gas Act*, Other Than Normal Spacing is approved within a portion of the Inga field – Doig formation within the following area;

DLS Twp 87 Rge 23 W6M Sections 8, 9, 16, 17, 20, 21, 27, 28, 33 and 34.

DLS Twp 88 Rge 23 W6M Sections 2 - 4, 9 - 12, 14, 15, 22, 23, 26, 27 and Fractional Sections 34F and 35F.

NTS 94-A-12 Block I Units 14, 15, 24, 25 and Fractional Units 4F, 5F, 6F and 7F

- 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 150 to the sides of the Other Than Normal Spacing area, except as noted in part 2 (b) and 2 (c).
- b) the target area for a gas well completed within the project area is not nearer than 100 m to the east side of sections 14, 23, 26, fractional section 35F-88-23 and fractional unit 4F/94-A-12 and to the north side of section 12-88-23
- c) the target area for a gas well completed within the project area is not nearer than 250 m of sections 8, 9, 16, 17, 20, 21, 27 and 28-87-23.
- d) a gas well completed outside the specified target area may be subject to an off-target production penalty,
- e) gas 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 21ST day of August 2014.