

July 27, 2015

5860-4900-59240-06

Greg Peddle, P.Eng.
Senior Production Engineer
Husky Energy Inc.
707- 8th Avenue S.W.
Calgary AB T2P 3G7

Dear Mr. Peddle:

**RE: GOOD ENGINEERING PRACTICE (GEP) SPECIAL PROJECT
OTHER THAN NORMAL SPACING ORDER
MICA CREEK FIELD - DOIG "B" POOL**

The Commission has reviewed the application from Husky Energy Inc., dated May 19, 2015, requesting approval of Good Engineering Practice (GEP) within the Mica Creek field – Doig "B" oil pool.

Production from this pool commenced in 2005, currently with four active wells, of which three are operated by Husky, with consent received from CNRL for inclusion of the additional well in the GEP area.

The following Orders are attached:

- 1) Order 15-06-001 designating Good Engineering Practice within a portion of the Mica Creek field Doig formation as a Special Project under section 75 of the *Oil and Gas Activities Act*, and
- 2) Order 15-06-001 OTN approving Other Than Normal Spacing under section 65.1 of the *Petroleum and Natural Gas Act* for the subject formation and area.

The Commission is currently of the opinion that the application area, NW quarter of section 1, is not part of the Doig "B" pool and will not be included at this time. Project oil allowable for the five wells included in the GEP area is 77.4 m³/d.

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

IN THE MATTER of an application from Husky Energy Inc to the Oil and Gas Commission dated May 19th, 2015 for a Good Engineering Practice project

ORDER 15-06-001

- 1 Under Section 75(1)(a) of the *Oil and Gas Activities Act*, the Mica Creek field – Doig “B” pool is designated as a special project for the recovery of oil utilizing Good Engineering Practice within the following area,

DLS Twp 81 Rge 13 W6M SW/4 Section 31

 Twp 81 Rge 14 W6M Section 36

 Twp 82 Rge 14 W6M SW/4 Section 1

- 2 Under section 75(2) of the *Oil and Gas Activities Act*, I specify the following
- a) Oil wells are exempt from the provisions of section 54 of the *Drilling and Production Regulation*, daily oil allowable, pursuant to section 4(1)(p)
 - b) The project unadjusted daily oil allowable is 77 4 m³/d



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

DATED AT the City of Victoria, in the Province of British Columbia, this 27th day of July 2015

IN THE MATTER of an application from Husky Energy Inc to the Oil and Gas Commission dated May 19th, 2015 for Other Than Normal Spacing

ORDER 15-06-001-OTN

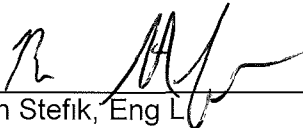
- 1 Under Section 65 1(2) of the *Petroleum and Natural Gas Act*, Other Than Normal Spacing is approved within the Mica Creek field – Doig “B” pool within the following area,

DLS Twp 81 Rge 13 W6M SW/4 Section 31

 Twp 81 Rge 14 W6M Section 36

 Twp 82 Rge 14 W6M SW/4 Section 1

- 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 27th day of July 2015