

January 17, 2014

1260-5000-59240-06

Purita Martin  
Land Analyst  
Paramount Resources  
4700, 888 – 3<sup>rd</sup> Avenue S.W.  
Calgary AB T2P 5C5

Dear Ms. Martin:

**RE: GOOD ENGINEERING PRACTICE SPECIAL PROJECT, AMENDMENT #1  
OTHER THAN NORMAL SPACING ORDER, AMENDMENT #1  
BIRCH FIELD – MONTNEY “A” POOL**

The Commission has reviewed applications by Paramount Resources (Paramount) and Yoho Resources Inc. (Yoho) received Jan 10 and 14, 2014, respectively, requesting a modification of Paramount's Good Engineering Practice Approval 11-06-047 and Yoho's Good Engineering Practice Approval 11-06-037 Amendment #2 for areas within the Birch field and Nig Creek field - Montney formation.

Paramount and Yoho have completed an asset exchange to consolidate land positions, involving Petroleum and Natural Gas Leases #62614 and #64135.


The following attached Orders reflect these changes;

- 1) Order 11-06-047 Amendment #1 designating Good Engineering Practice within a portion of the Nig Creek - Montney formation as a Special Project under section 75 of the *Oil and Gas Activities Act*, and
- 2) Order 11-06-047-OTN Amendment #1 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 Paramount Resources Ltd. to the Commission received January 10, 2014 for an amendment to an Other Than Normal Spacing Order.

**ORDER 11-06-047-OTN Amendment #1**

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

NTS 94-A-13	Block G – Units 91-93
NTS 94-A-13	Block H – Units 91-93, 96-100
NTS 94-A-13	Block I – Units 1-3, 6-19, 21-29, 32-40, 42-50, 54-60, 64-70, 72-80, 82-90, 96-100
NTS 94-A-13	Block J – Units 1-3, 31-35, 41-45, 51-55, 61-65, 71-75, 81-85, 91
NTS 94-A-14	Block E – Units 94-100
NTS 94-A-14	Block L – Units 4-10, 14-20, 24-30
NTS 94-H-4	Block A – Units 6-10
NTS 94-H-4	Block B – Units 1

- 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 m to the sides of the Other Than Normal Spacing area,
  - b) a gas well completed outside the specified target area may be subject to an off-target production penalty,
  - c) gas wells drilled within the specified project area are not subject to spacing requirements.

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

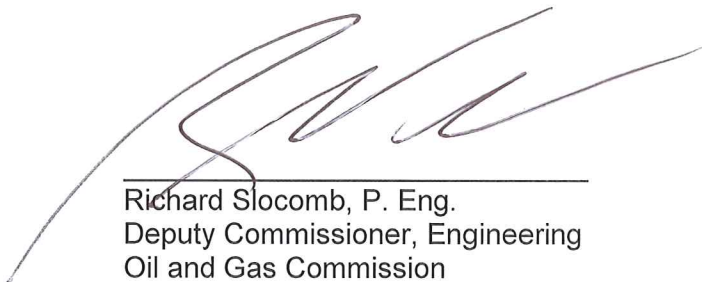
DATED AT the City of Victoria, in the Province of British Columbia, this 17<sup>th</sup> day of January 2014.

IN THE MATTER of an application from Paramount Resources Ltd. to the Commission received January 10, 2014 for an amendment to an Other Than Normal Spacing Order.

**ORDER 11-06-047 Amendment #1**

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

NTS 94-A-13	Block G – Units 91-93
NTS 94-A-13	Block H – Units 91-93, 96-100
NTS 94-A-13	Block I – Units 1-3, 6-19, 21-29, 32-40, 42-50, 54-60, 64-70, 72-80, 82-90, 96-100
NTS 94-A-13	Block J – Units 1-3, 31-35, 41-45, 51-55, 61-65, 71-75, 81-85, 91
NTS 94-A-14	Block E – Units 94-100
NTS 94-A-14	Block L – Units 4-10, 14-20, 24-30
NTS 94-H-4	Block A – Units 6-10
NTS 94-H-4	Block B – Units 1



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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 17<sup>th</sup> day of January 2014.