

MADE at the City of Calgary, in the Province of Alberta, on October 31, 2006	<original signed by> M. N. McCrank, Q.C. ALBERTA ENERGY AND UTILITIES BOARD
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The Alberta Energy and Utilities Board (EUB), pursuant to the *Oil and Gas Conservation Act*, chapter O-6 of the Revised Statutes of Alberta, 2000, orders as follows:

- 1) Development Entity No. 2 (DE 2) shall be the designated strata between the top of the Smoky Group and the base of the Nikanassin Formation in the area outlined on the attachment marked Appendix A to this order.
- 2) In DE 2, production of nonassociated gas may be taken from each well without segregation in a wellbore subject to the well meeting all conditions set out in clause 3.
- 3) For each well in DE 2:
 - a) There are no completions above or below the stratigraphic interval detailed in clause 1.
 - b) Anticipated or actual total water production is less than 5.0 cubic metres per well per month if there are completions above the base of groundwater protection.
 - c) The top of the completions is greater than 25 metres below the base of any water wells within 600 metres of the producing well.
 - d) There is no hydrogen sulphide in the production stream.
 - e) There is no production of gas associated with an oil accumulation.
 - f) The reservoir pressure of any interval completed for production does not exceed 90% of the fracture pressure of any other interval(s) completed for production.
 - g) There are no unresolved equity issues raised by lessors or lessees of the mineral rights whose rights may be directly and adversely affected by the unsegregated production.
- 4) All coalbed methane and shale gas control well data requirements detailed in Section 11 of the *Oil and Gas Conservation Regulations* have been met.

END OF DOCUMENT

Appendix A

