

MINISTERIAL ORDER

**SECTION 102
THE OIL AND GAS ACT**

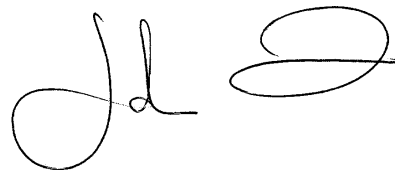
SPACING ORDER NO. 17

**Pertaining to 8 ha Spacing Units for the Lower Amaranth and Mission Canyon Formations in
the Pierson Lower Amaranth – Mission Canyon 3b A Pool – South Pierson Unit No. 1**

1. The spacing unit for each well drilled, or to be drilled, for the purpose of producing from or injecting into the Lower Amaranth and Mission Canyon Formations within the spacing area outlined on Schedule A is a square 8 hectares in area, with corners located at the mid-points of the boundaries of each legal subdivision, as illustrated on Schedule A.
2. Where a spacing unit established under clause 1 intersects a unit boundary, the unit boundary shall truncate the spacing unit as illustrated on Schedule A.
3. The target area of each spacing unit shall be an area having sides 65 metres from the sides of the spacing unit and parallel to them.
4. The infill well siting conditions listed in Schedule B apply to any well drilled within the spacing area outlined on Schedule A after the date of this Order.
5. Board Order No. SU 9 is rescinded.

December 24, 2004

Date

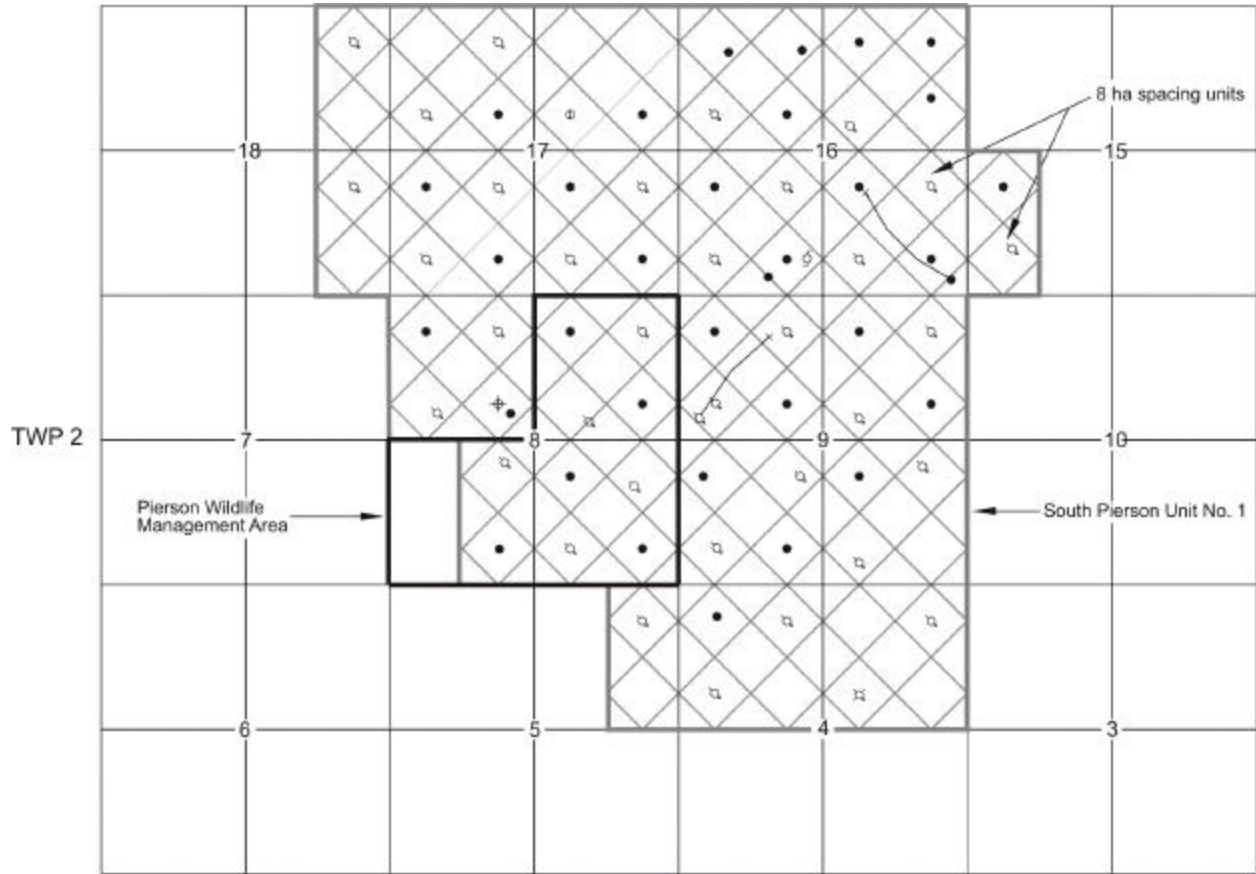


Director of Petroleum for
Minister of Industry, Economic
Development and Mines

SCHEDULE A

SPACING ORDER NO. 17

SOUTH PIERSON UNIT NO. 1



- ◇ 8 ha Spacing Units
- Producer
- ◆ Abandoned Producer
- ⊕ Abandoned Dry
- ◻ Water Injection Well
- Salt Water Disposal Well

SCHEDULE B

SPACING ORDER NO. 17

SOUTH PIERSON UNIT NO. 1

INFILL WELL SITING CONDITIONS

- (1) Only non built-up roads or trails are to be used to access the infill wells.
- (2) The actively used portion of the wellsite is to be minimized.
- (3) Approval of the RM of Edward is required for any well located less than 45 m from a municipal road allowance.
- (4) Underground hydro and flowlines are to be installed to minimize the disruption of agricultural operations.
- (5) No infill wells will be licensed in the Pierson Wildlife Management Area (WMA) until a revised development plan for the WMA has been approved by the Director of Western Region, Manitoba Conservation and the Director of Petroleum.