



GOOD ENGINEERING PRACTICE AREA APPLICATION GUIDELINE

The approval of a Good Engineering Practice (GEP) area, a Special Project under Section 75 of the Oil and Gas Activities Act, recognizes the permit holder's intention to locate, complete and operate wells so as to optimize resource recovery while minimizing surface impacts. A GEP Order is normally accompanied by an Other Than Normal Spacing Order, issued under Section 65.1(2) of the Petroleum and Natural Gas Act, removing individual well spacing and target area restrictions. GEPs are area and formation specific. For oil, a single project production allowable, subject to Gas-Oil Ratio (GOR) adjustment, may be taken from any one or combination of wells. For gas, only wells subject to an off-target penalty are normally subject to a production allowable restriction under GEPs.

Amendments to the Drilling and Production Regulation enacted August 2012 streamline practices that in some cases formerly required GEP applications. The Commission deems specific fields and formations as "unconventional zones" for regulatory purposes. Therefore, Good Engineering Practice (GEP) and an associated order of Other Than Normal (OTN) Spacing, is no longer required for the **specified** unconventional zones. Click [here to read the full summary](#). Click [here for a high resolution map](#) of the included areas.

For all areas not exempted, an application for a GEP Order should include, when applicable:

- A legal description of the area and the designation of the pool for which the application is made.

MAPS

- A map of the area referenced in the application, identifying the title holders within the area and within adjacent title-holdings.
- A map of the status and completion intervals for all wells in the pool including Well Permit (WA) numbers.

GEOLOGY

- A discussion of the geology of the pool, including relevant cross-sections, structural contour and isopach maps with details of top and base porosity, fluid-interface elevations, average porosity, water saturation and permeability.
- A discussion of reservoir rock and fluid properties including estimates of original hydrocarbon volumes in place per spacing area and for the project as a whole.

DEVELOPMENT

- A discussion of the proposed method of producing the area, including a prediction of rate-time performance, ultimate recovery of hydrocarbons and a comparison to recovery without a GEP Order.
- Development plans with timing and prospective drilling locations, including a discussion of limitations and risks that may inhibit the development of the acreage. (Indicate if confidentiality is required.).
- Prospective completion designs; that is, length of lateral, type of fracture treatment, size of each treatment, fracture spacing and well spacing. (Indicate if confidentiality is required.).

TABLES/GRAPHS

Include Well Authorization (WA) numbers.

- A general discussion of the history and development of the area, including:
 - A table of completion details.
 - A table of production for each well with gas-liquid and water-oil ratios, and initial and last production dates.
 - Graphical presentation of the production histories for all wells in the area, including production rates and cumulative volumes with appropriate gas-liquid and water-oil ratios.

- A discussion of the pressure history of the pool, including a table and graphical history.

LETTERS

- Letters of consent to inclusion in the proposed project from tenure interest owners, as registered with the Ministry of Energy and Mines, Titles Branch, for lands **within** the application area.
- An applicant is normally not required to notify off-setting tenure owners to obtain letters of no objection to the application, as the Commission's notice of application provides the opportunity to be heard. However, if a proposal is anticipated to have a potential negative impact on other pool operators, it is prudent to make direct contact and resolve any concerns before applying to the Commission.
- If requesting a reduction in target area boundary distance to lands **outside** the project area, letters of no objection from the offsetting tenure owners are required. Examples of such statements are provided in a [Consent to Inclusion in a Reservoir Project](#) or here [No Objection to Reservoir Project](#).

Two hardcopies of the application must be submitted to the Supervisor, Reservoir Engineering Department, at the above address. Notice of an application is posted on the [Commission's website](#) for a 21-day period to solicit any potential technical objection. The applicant is responsible for providing a copy of the application, upon request, to third parties during the period of public notice. After the notice period ends, a copy of the application may be requested from the [Commission's Data Centre](#).