



February 6, 2009

1350-2600/4100-59070-20

Dave Pellegrin, P.Eng.
Sr. Exploitation Engineer
Advantage Oil & Gas Ltd.
3100, 150 – 6 Avenue SW
Calgary AB T2P 3Y7

Dear Mr. Pellegrin:

**RE: COMMINGLED PRODUCTION APPROVAL
ADVANTAGE ET AL BLACK b-081-J/094-H-05; WA# 22092**

The Commission has reviewed your application dated January 13, 2009 for approval to commingle gas production from the Bluesky and Baldonnel zones encountered in the subject well.

The Commission has designated the gas pools under application to be the Black Creek – Bluesky “E” and Baldonnel “A”. The Bluesky “E” pool has been delineated by three gas wells; all three wells are capable of production. The Baldonnel “A” is a multi-well gas pool with a small oil leg. A concurrent production scheme approval has been granted to allow oil and gas production.

The well was completed in the subject zones in February/March 2007 and commenced segregated production in April, 2007. The Bluesky had an initial rate of 20.7 10³m³/d and is currently producing at 1.2 10³m³/d due to liquid loading. The Baldonnel began production at 40.0 10³m³/d and is currently producing at 26.0 10³m³/d. Commingled production through a single tubing string is expected to reduce liquid loading and thereby maximize production and reserve recovery.

We wish to advise you that your application to commingle production from these zones is hereby granted approval, under the authority of section 41 of the *Drilling and Production Regulation*, subject to the following conditions:

1. Production from the Bluesky (1175.0 - 1177.0 mKB) and Baldonnel (1189.5 – 1202.5 mKB) may be commingled.
2. Gas, condensate and water production should be allocated on the Ministry of Finance BC S-1, BC S-2 and BC 08 forms on the basis of:

	<u>Bluesky</u>	<u>Baldonnel</u>
Gas	25%	75%
Condensate	18%	82%
Water	97%	3%

The allocation factors may be amended to reflect results of any future tests.

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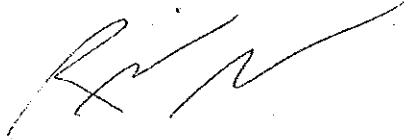
RESOURCE CONSERVATION

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0301
Location: 6th Flr 1810 Blanshard St. Victoria BC

3. This approval may be modified at a later date if deemed appropriate through a change in circumstances.

Should you have any questions, please contact the undersigned at (250) 952-0366 or Kelly Okuszko at (250) 952-0325.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Slocomb', written in a cursive style.

Richard Slocomb, P. Eng.
Supervisor, Reservoir Engineering



February 6, 2009

1350-2600/4100-59070-20

Dave Pellegrin, P.Eng.
Sr. Exploitation Engineer
Advantage Oil & Gas Ltd.
3100, 150 – 6 Avenue SW
Calgary AB T2P 3Y7

Dear Mr. Pellegrin:

RE: COMMINGLED PRODUCTION APPROVAL
ADVANTAGE ET AL BLACK c-082-J/094-H-05; WA# 22069

The Commission has reviewed your application dated January 28, 2009 for approval to commingle gas production from the Bluesky and Baldonnel zones encountered in the subject well.

The Commission has designated the gas pools under application to be the Black Creek – Bluesky “E” and Baldonnel “A”. The Bluesky “E” pool has been delineated by three gas wells; all three wells are capable of production. The Baldonnel “A” is a multi-well gas pool with a small oil leg. A concurrent production scheme approval has been granted to allow oil and gas production.

The well was completed in the subject zones in February 2007 and commenced segregated production in April, 2007. The Bluesky had an initial peak rate of 66.0 10³m³/d and is currently producing at 8.0 10³m³/d due to liquid loading. The Baldonnel had an initial peak rate of 77.0 10³m³/d and is currently producing at 34.0 10³m³/d. Both zones have similar gas compositions and reservoir pressures. Commingled production through a single tubing string is expected to reduce liquid loading and thereby maximize production and reserve recovery.

We wish to advise you that your application to commingle production from these zones is hereby granted approval, under the authority of section 41 of the *Drilling and Production Regulation*, subject to the following conditions:

1. Production from the Bluesky (1180.0 - 1182.0 mKB) and Baldonnel (1199.5 – 1208.5 mKB) may be commingled.
2. Gas, condensate and water production should be allocated on the Ministry of Finance BC S-1, BC S-2 and BC 08 forms on the basis of:

	<u>Bluesky</u>	<u>Baldonnel</u>
Gas	25%	75%
Condensate	25%	25%
Water	25%	25%

The allocation factors may be amended to reflect results of any future tests.

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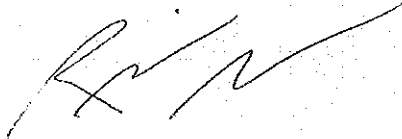
RESOURCE CONSERVATION

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Location: 6th Flr 1810 Blanshard St. Victoria BC

3. This approval may be modified at a later date if deemed appropriate through a change in circumstances.

Should you have any questions, please contact the undersigned at (250) 952-0366 or Kelly Okuszko at (250) 952-0325.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Slocomb', written over a faint dotted grid background.

Richard Slocomb, P. Eng.
Supervisor, Reservoir Engineering



May 30, 2008

1350-2600/4610-59070-20

Dave Pellegrin, P.Eng.
Sr. Exploitation Engineer
Advantage Oil & Gas Ltd.
3100, 150 – 6 Avenue SW
Calgary AB T2P 3Y7

Dear Mr. Pellegrin:

**RE: APPROVAL FOR COMMINGLED PRODUCTION
ADVANTAGE BLACK B-14-B/94-H-12; WA# 23368**

The Commission has reviewed your application dated March 6, 2008 for approval to commingle gas production from the Bluesky and Charlie Lake 'A' Marker zones encountered in the subject well.

The Commission has designated the gas pools under application to be the Black Creek – Bluesky "F" and 'A' Marker/Base of Lime "B". Both zones have been mapped as single well gas pools and were fracture stimulated followed by test production. The Bluesky zone tested at $25.8 \times 10^3 \text{ m}^3/\text{d}$ whereas the 'A' Marker/Base of Lime zone tested at $15.5 \times 10^3 \text{ m}^3/\text{d}$. The final tubing string was run in February 2008 with the 'A' Marker/Base of Lime producing up the tubing and the Bluesky up the tubing/casing annulus. The 'A' Marker/Base of Lime flowed intermittently showing signs of liquid loading and has recently been shut-in. The Bluesky is now producing up the tubing at rates of $15.0 \times 10^3 \text{ m}^3/\text{d}$. Commingled production through the tubing is expected to increase production and maximize reserves recovery from both pools.

We wish to advise you that your application to commingle production from these zones is hereby granted approval, under the authority of section 41 of the *Drilling and Production Regulation*, subject to the following conditions:

1. Production from the Bluesky (1174.0 - 1175.0 mKB) and 'A' Marker/Base of Lime (1266.0 – 1268.0 mKB) may be commingled.
2. Gas, condensate and water production should be allocated on the Ministry of Small Business and Revenue BC-08, BC S-1 and BC S-2 forms on the basis of Bluesky 60 % and 'A' Marker/Base of Lime 40 %. The allocation factors may be amended to reflect results of any future tests.
3. This approval may be modified at a later date if deemed appropriate through a change in circumstances.

Should you have any questions, please contact the undersigned at (250) 952-0366.

Sincerely,

Richard Slocomb, P. Eng.
Supervisor, Reservoir Engineering

RESOURCE CONSERVATION

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Headquarters: #200, 10003 110th Ave, Fort St. John BC V1J 6M7 Tel: (250) 261-5729 Fax: (250) 261-5744 www.ogc.gov.bc.ca



OIL AND GAS COMMISSION

September 13, 2007

1350-4100/4538-59070-20

Ralph Sanford,
Coordinator, Reservoir Engineering
Advantage Oil & Gas Ltd.
3100, 150 – 6 Avenue SW
Calgary AB T2P 3Y7

Dear Mr. Sanford:

**RE: APPROVAL FOR COMMINGLED PRODUCTION
ADVANTAGE BLACK C-57-B/94-H-12; WA# 20771**

The Commission has reviewed your application dated March 16, 2007 for approval to commingle gas production from the Baldonnel and Charlie Lake zones encountered in the subject well.

The Commission has designated the gas pools under application to be the Black Creek – Baldonnel “A” and Yellow Marker “A”. The Baldonnel “A” is a multi-well gas pool with a small oil leg. A concurrent production scheme approval has been granted to allow oil and gas production. The Yellow Marker “A” pool has been delineated by three gas wells. All wells in the two pools are operated by Advantage Oil & Gas Ltd. Both zones were stimulated by acid frac followed by test production. The Baldonnel zone tested at $4.2 \times 10^3 \text{ m}^3/\text{d}$ whereas the Yellow Marker tested at $8.0 \times 10^3 \text{ m}^3/\text{d}$. However, the Baldonnel is currently producing at $1.0 \times 10^3 \text{ m}^3/\text{d}$ whereas the Yellow Marker is capable of $2.5 \times 10^3 \text{ m}^3/\text{d}$. Commingled production through the tubing and installing a plunger lift system is expected to increase production and maximize reserves recovery from both pools.

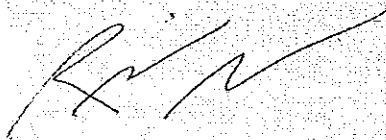
We wish to advise you that your application to commingle production from these zones is hereby granted approval, under the authority of section 41 of the *Drilling and Production Regulation*, subject to the following conditions:

1. Production from the Baldonnel (1103.0 - 1109.0 mKB) and Yellow Marker (1148.0 – 1151.5 mKB) may be commingled.
2. A production test must be completed to establish the AOF and initial reservoir pressure for the Yellow Marker and reports filed as per the requirements of Sections 84 and 95 of the *Regulation*.
3. Gas, condensate and water production should be allocated on the Ministry of Small Business and Revenue BC S-1 and BC S-2 forms on the basis of Baldonnel 40 % and Yellow Marker 60 %. The allocation factors may be amended to reflect results of any future tests.

4. This approval may be modified at a later date if deemed appropriate through a change in circumstances.

Should you have any questions, please contact the undersigned at (250) 952-0366.

Sincerely,



Richard Slocomb, P. Eng.
Supervising Reservoir Engineer
Resource Conservation Branch

RESOURCE CONSERVATION BRANCH

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0301
Location: 6th Flr 1810 Blanshard St, Victoria BC

Headquarters: #200, 10003 110th Ave, Fort St. John BC V1J 6M7 Tel: (250) 261-5729 Fax: (250) 261-5744 www.ogc.gov.bc.ca



September 4, 2007

1350-2600/4100-59070-20

Ralph Sanford.
Coordinator, Reservoir Engineering
Advantage Oil & Gas Ltd.
3100, 150 – 6 Avenue SW
Calgary AB T2P 3Y7

Dear Mr. Sanford:

**RE: APPROVAL FOR COMMINGLED PRODUCTION
ADVANTAGE EL AL BLACK b-A91-J/94-H-05; WA# 22107**

The Commission has reviewed your application dated May 22, 2007 for approval to commingle gas production from the Bluesky and Baldonnel zones encountered in the subject well.

The Commission has designated the gas pools under application to be the Black Creek – Bluesky “E” and Baldonnel “A”. The Bluesky “E” pool has been delineated by three gas wells; all three wells are capable of production. The Baldonnel “A” is a multi-well gas pool with a small oil leg. A concurrent production scheme approval has been granted to allow oil and gas production. The Baldonnel in the subject well was perforated and tested at $63.0 \times 10^3 \text{ m}^3/\text{d}$. The Bluesky was perforated and fracture stimulated and flowed at $14.0 \times 10^3 \text{ m}^3/\text{d}$. The Bluesky had no flow prior to fracture stimulation. Pressure recorders run over the Baldonnel zone during the Bluesky completion indicated that pressure communication was established during fracture stimulation. As a result these two zones are commingled behind casing and segregated production is not possible. These two zones have similar pressures.

We wish to advise you that your application to commingle production from these zones is hereby granted approval, under the authority of section 41 of the *Drilling and Production Regulation*, subject to the following conditions:

1. Production from the Bluesky (1149.0 - 1151.0 mKB) and Baldonnel (1165.0 – 1167.0 mKB) may be commingled.
2. Gas, condensate and water production should be allocated on the Ministry of Small Business and Revenue BC S-1 and BC S-2 forms on the basis of Bluesky 15 % and Baldonnel 85 %. The allocation factors may be amended to reflect results of any future tests.
3. This approval may be modified at a later date if deemed appropriate through a change in circumstances.

Should you have any questions, please contact the undersigned at (250) 952-0366.

Sincerely,

Richard Slocomb, P. Eng.
Supervising Reservoir Engineer
Resource Conservation Branch

RESOURCE CONSERVATION BRANCH

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0301
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Headquarters: #200, 10003 110th Ave, Fort St. John BC V1J 6M7 Tel: (250) 261-5729 Fax: (250) 261-5744
www.ogc.gov.bc.ca



March 5, 2007

1350-4100/4538-59070-20

Ralph Sanford
Coordinator, Reservoir Engineering
Advantage Oil & Gas Ltd.
3100, 150 – 6 Avenue SW
Calgary AB T2P 3Y7

Dear Mr. Sanford:

**RE: APPROVAL FOR COMMINGLED PRODUCTION
ADVANTAGE BLACK C-79-B/94-H-12; WA# 20721**

The Commission has reviewed your application dated February 7, 2007 for approval to commingle gas production from the Baldonnel and Charlie Lake zones encountered in the subject well.

The Commission has designated the gas pools under application to be the Black Creek – Baldonnel “A” and Yellow Marker “A”. The Baldonnel “A” is a multiwell gas pool with a small oil leg. A Concurrent Production has been granted for a portion of the pool to allow oil and gas production. The Yellow Marker “A” pool has been delineated by three gas wells. All wells in the two pools are operated by Advantage Oil & Gas Ltd. Both zones were stimulated by acid frac followed by test production. The Baldonnel is a marginal zone with test rates of only $1.1 \times 10^3 \text{ m}^3/\text{d}$, whereas the Yellow Marker tested at $13.7 \times 10^3 \text{ m}^3/\text{d}$. At this time both zones are segregated through the use of a sliding sleeve. Commingled production through the tubing is expected to maximize reserves recovery from both pools.

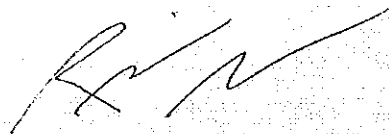
We wish to advise you that your application to commingle production from these zones is hereby granted approval, under the authority of section 41 of the *Drilling and Production Regulation*, subject to the following conditions:

1. Production from the Baldonnel (1128.0 - 1135.0 mKB) and Yellow Marker (1164.5 – 1167.0 mKB) may be commingled.
2. A production test must be completed to establish the AOF and initial reservoir pressure for the Yellow Marker and reports filed as per the requirements of Sections 84 and 95 of the *Regulation*.
3. Gas, water and condensate production should be allocated on the Ministry of Small Business and Revenue BC S-1 and BC S-2 forms on the basis of Baldonnel 20 % and Yellow Marker 80 %. The allocation factors may be amended to reflect results of any future tests.
4. A segregated Yellow Marker reservoir pressure may be required at a future date to enable more accurate reserves determination. The production string has been configured with a sliding sleeve to enable segregated testing.

5. This approval may be modified at a later date if deemed appropriate through a change in circumstances.

Should you have any questions, please contact the undersigned at (250) 952-0366.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Slocomb', is written over a light grey dotted rectangular background.

Richard Slocomb, P. Eng.
Supervising Reservoir Engineer
Resource Conservation Branch

RESOURCE CONSERVATION BRANCH

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December 21, 2001

1350-4100-59240-07
OGC - 01252

J.W. Worobeck, P.Eng.
Manager, Engineer
Pioneer Natural Resources Canada Inc.
2900, 255 - 5th Avenue S.W.
Calgary AB T2P 3G6

Pioneer Project (02)

Dear Mr. Worobeck:

**RE: APPROVAL FOR CONCURRENT PRODUCTION
BLACK CREEK BALDONNEL "A" POOL**

Attached is a Concurrent Production scheme approval for the subject pool, as requested in your application dated November 21, 2001.

The Approval 01-07-010 is hereby granted under section 97 of the Petroleum and Natural Gas Act.

Based on the Commission's geological mapping, the Baldonnel "A" pool's oil leg would appear to be limited in size. Also, the Commission's geological interpretation shows that all gas wells in the pool are gas-cap wells to the Baldonnel "A" pool oil leg. Therefore, the concurrent production scheme area consists of the entire Baldonnel "A" pool.

You may wish to evaluate the potential for drilling additional oil wells within the scheme area in order to optimize oil production from the pool.

Sincerely,

Craig Gibson, P. Eng.
Manager
Reservoir Engineering and Geology

Attachment

Approval Letters to Industry
GEP, SWD, CONCURRENT PROD,
PRESSURE MAINTENANCE,
WATERFLOOD, ETC.

Copy 9

- | | |
|--------------------------|----------------------|
| <input type="checkbox"/> | Wellfile (originals) |
| <input type="checkbox"/> | 59240 |
| <input type="checkbox"/> | Daily |
| <input type="checkbox"/> | Resource Revenue |
| <input type="checkbox"/> | S. Chicorelli |
| <input type="checkbox"/> | R. Stefik |
| <input type="checkbox"/> | G. Farr |
| <input type="checkbox"/> | P. Attariwala |
| <input type="checkbox"/> | D. Krezanoski |

ENGINEERING AND GEOLOGY BRANCH

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0291
Location: 6th Flr 1810 Blanshard St. Victoria BC

Headquarters: #200, 10003 110th Ave, Fort St. John BC V1J 6M7 Tel: (250) 261-5729 Fax: (250) 261-5744 www.ogc.gov.bc.ca

APPROVAL 01-07-010

THE PROVINCE OF BRITISH COLUMBIA
PETROLEUM AND NATURAL GAS ACT
OIL AND GAS COMMISSION

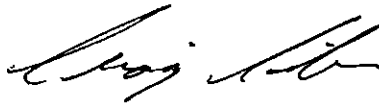
IN THE MATTER of a Concurrent Production scheme of Pioneer Natural Resources Canada Inc. (Pioneer) for producing the Black Creek Baldonnel "A" pool with a project oil and gas allowable.

NOW, THEREFORE, the Commission, pursuant to section 97 of the Petroleum and Natural Gas Act, hereby approves the Concurrent Production scheme of Pioneer for oil and gas production with project allowables, as such scheme is described in

an Application from Pioneer to the Commission dated November 21, 2001 and related submission.

This scheme is approved, subject to the conditions herein contained and, in particular:

1. The area of the scheme shall consist of units 54-57, 64-67, 74-79, 84-89, 92-99 of Block J/94-H-5 and units 2-9, 14-20, 24-30, 36-40, 46-50 of Block B and units 11, 21, 31 and 41 of Block C/94-H-12.
2. The project daily oil allowable is 61.1 m³.
3. The project daily gas limit is 420.0 10³m³.
4. All produced gas must be conserved.
5. The requirements of section 9 of the *Drilling and Production Regulation* are hereby waived, provided that oil wells within the scheme area are not completed nearer than 100 m to the sides of the approved area.
6. This approval may be modified or rescinded at a later date if deemed appropriate.



Craig Gibson
Manager
Reservoir Engineering and Geology

DATED AT the City of Victoria, in the Province of British Columbia, this ^{21st} day of December, 2001.