



August 18, 2005

2920-4900-59240-07
OGC – 05232

David Mitchell, P.Eng.
Senior Exploitation Engineer
Baytex Energy Ltd.
2200, 205 – 5th Ave. S.W.
Calgary AB T2P 2V7

Dear Mr. Mitchell:

**RE: CONCURRENT PRODUCTION APPROVALS
CACHE CREEK – DOIG “I” & DOIG “J” POOLS**

The Commission has reviewed your applications, dated July 5, 2005, for Concurrent Production from the Cache Creek – Doig “I” & Doig “J” single well oil pools.

As gas produced exceeds the solution gas-oil ratio and this gas is conserved, Concurrent Production approvals are considered appropriate. Accordingly, Approvals 05-07-002 (Cache Creek – Doig “I”) and 05-07-003 (Cache Creek – Doig “J”) are hereby granted under Section 97 of the Petroleum and Natural Gas Act. These approvals will allow flexibility in production management to maximize pool oil recovery.

Please note that the project allowables may be amended if another operator successfully completes an oil well outside the project area in the subject pool.

Should you have any questions, please contact Ron Stefik at (250) 952-0310.

Sincerely,

Craig Gibson, P. Eng.
Director
Resource Conservation Branch

Attachments

Approval Letters to Industry
GEP, SWD, CONCURRENT PROD,
PRESSURE MAINTENANCE,
WATERFLOOD, ETC.
Copy 9

Wellfile (originals)
59240
Daily
Resource Revenue
S. Chicorelli
R. Stefik
G. Farr
R. Slocomb
D. Krezanoski

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

APPROVAL 05-07-002

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


IN THE MATTER of a Concurrent Production scheme of Baytex Energy Ltd. (Baytex) for producing the Cache Creek – Doig “T” pool with a project gas and oil allowable.

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

an Application from Baytex to the Commission dated July 5, 2005 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 :
Twp 87 Rge 22 W6M – NE/4 Sect 28.
2. The project daily oil allowable is waived.
3. Gas production will be limited to $200.0 \times 10^3 \text{ m}^3/\text{d}$.
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. Royalty-exempt oil production from the discovery well Baytex et al Cache A7-33-87-22 W6M (WA# 17868) shall be limited to a volume of $1,991.0 \text{ m}^3$, or the volume produced during the first 36 producing months, whichever comes first.
7. This approval may be modified or rescinded at a later date if deemed appropriate.



Craig Gibson
Director
Resource Conservation Branch

DATED AT the City of Victoria, in the Province of British Columbia, this 18th day of August 2005.

APPROVAL 05-07-003

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

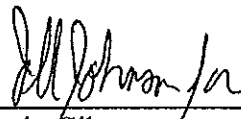
IN THE MATTER of a Concurrent Production scheme of Baytex Energy Ltd. (Baytex) for producing the Cache Creek – Doig “J” pool with a project gas and oil allowable.

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

an Application from Baytex to the Commission dated July 5, 2005 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:
Twp 87 Rge 22 W6M – SE/4 Sect 33.
2. The project daily oil allowable is waived.
3. Gas production will be limited to $60.0 \times 10^3 \text{ m}^3/\text{d}$.
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. Royalty-exempt oil production from the discovery well Baytex et al Cache 7-33-87-22 W6M (WA# 17845) shall be limited to a volume of $1,696.6 \text{ m}^3$, or the volume produced during the first 36 producing months, whichever comes first.
7. This approval may be modified or rescinded at a later date if deemed appropriate.



Craig Gibson
Director
Resource Conservation Branch

DATED AT the City of Victoria, in the Province of British Columbia, this 18th day of August 2005.