



OIL AND GAS COMMISSION

February 18, 2008

8100-4900-59240-07

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

Dear Mr. Poohkay:

**RE: CONCURRENT PRODUCTION WITH
GOOD ENGINEERING PRACTICE APPROVAL
STODDART WEST – DOIG “A”**

Commission staff have reviewed your application, dated September 11, 2007, for Good Engineering Practice (GEP) approval in the Stoddart West field – Doig “A” oil pool.

Two multi-lateral horizontal wells, 15-21-87-20 W6M (WA 9851) and 15-16-87-20 W6M (WA 9921), each open to production from several oil spacing areas, were drilled in 1996 in this pool. Interim daily oil allowables were issued to permit initial production evaluation, pending project application, however both wells were suspended in late 1997. Production has recommenced in July 2007.

Gas production exceeds the solution gas-oil ratio and this gas is conserved. Concurrent Production approval is considered appropriate, with GEP to remove spacing and target restrictions. Accordingly, attached is Concurrent Production with Good Engineering Practice Approval 08-07-001, hereby granted under Section 97 of the Petroleum and Natural Gas Act. This approval will allow flexibility in production management to maximize pool oil recovery.

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

Sincerely,

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

Richard Slocomb, P.Eng.
Supervisor, Reservoir Engineering
Resource Conservation

Attachment

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

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 08-07-001

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

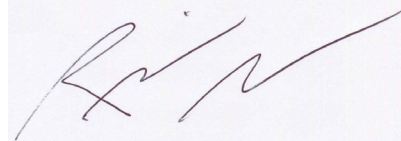
IN THE MATTER of a Concurrent Production scheme with Good Engineering Practice (GEP) of Baytex Energy Ltd. (Baytex) for producing the Stoddart West field Doig "A" pool without spacing and target restrictions and without a project oil allowable.

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

an Application to the Commission dated September 11, 2007 and related submissions.

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 20 W6M – sections 16 and 21.
2. The project daily oil allowable is waived.
3. Gas production is 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. This approval may be modified or rescinded at a later date if deemed appropriate.



Richard Slocomb
Supervisor, Reservoir Engineering
Resource Conservation

DATED AT the City of Victoria, in the Province of British Columbia, this 18th day of February 2007.