

November 9, 2004

5600-4540-59240-07 OGC - 04317

Ryan Chong Vice President, Production Crew Energy Ltd. 1920, 205 – 5th Avenue S.W. Calgary AB T2P 2V7

Dear Mr. Chong:

RE: CONCURRENT PRODUCTION APPROVAL, AMENDMENT #1
LAPRISE CREEK – COPLIN "A" POOL

The Commission has reviewed your application dated November 5, 2004 requesting an amendment to the Concurrent Production approval in the subject pool.

Southpoint Resources (partner) had originally planned to drill a well at 1-H/094-G-08. This unit formed part of the initial application area and was subsequently withdrawn to enable Southpoint to capture the test period allowable volumes upon drilling a well. Crew Energy and their partner (Southpoint) have now decided to collect additional pool production data prior to making any decisions on additional drilling locations. As such, Approval 04-07-007 (Amendment #1) is hereby granted under Section 97 of the Petroleum and Natural Gas Act. This approval is only valid until June 30, 2005 at which time Crew Energy and its partners may re-apply.

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.

Sincerely, Approval Letters to Industry GEP, SWD, CONCURRENT PROD, PRESSURE MAINTENANCE, WATERFLOOD, ETC. Copy 9 Craig Gibson, P. Eng. Wellfile (originals) Director 59240 Daily Resource Conservation Branch Resource Revenue S. Chicorelli Attachment R. Stefik G. Farr R. Slocomb D. Krezanoski

APPROVAL 04-07-007 (AMENDMENT #1)

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

IN THE MATTER of a Concurrent Production scheme of Crew Energy Inc. (Crew) for producing the Laprise Creek Coplin "A" pool with a project oil and gas allowable.

NOW, THEREFORE, the Commission, pursuant to section 97 of the <u>Petroleum and Natural Gas Act</u>, hereby amends the Concurrent Production scheme of Crew for oil and gas production, as such scheme is described in

an Application for Concurrent Production from Crew to the Commission dated November 5, 2004 and related submissions.

The scheme approval of September 15, 2004, is hereby amended subject to the conditions herein contained and, in particular:

1. The area of the scheme shall consist of:

94-G-08 Block H – units 1, 2, 12, 13, 22 and 23

- 2. The project daily oil allowable is 60.0 m³.
- 3. Project gas production, based on double the base GOR factor, will be limited to 21.3 10³ m³/d.
- 4. All produced gas must be conserved.
- 5. 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 Aday of November 2004.