



OIL AND GAS COMMISSION

May 14, 2007

5600-4540-59240-07

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

Dear Mr. Chong:

**RE: CONCURRENT PRODUCTION APPROVAL
LAPRISE CREEK – COPLIN “B” POOL**

Attached is a Concurrent Production scheme approval for the subject pool as requested in your application dated March 15, 2007.

The Laprise Creek Coplin “B” oil pool has been producing since September 2003. The Commission currently estimates original oil in place (OOIP) at $258.3 \times 10^3 \text{ m}^3$ with cumulative oil production of $48.9 \times 10^3 \text{ m}^3$. The Coplin “B” pool has produced approximately 19% of OOIP under primary depletion. To date predictions of reservoir performance, through simulation work carried out by Crew in 2004 and 2005, have closely tracked actual data. Furthermore, sufficient production and pressure information has been gathered to provide the Commission with reasonable confidence in determining pool size and ultimate recovery also ensuring that resource conservation will not be affected by issuing a concurrent production scheme approval. Therefore attached is approval 07-07-001 granted under Section 97 of the Petroleum and Natural Gas Act.

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,

Doug McKenzie
Director
Resource Conservation Branch

Attachment

RESOURCE CONSERVATION BRANCH

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APPROVAL 07-07-001

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 "B" 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 Crew for oil and gas production, as such scheme is described in

an Application for Concurrent Production from Crew to the Commission dated July 6, 2004 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 :

94-G-08
Block H – units 14, 15, 25, 35, 36, 46, and 56.
2. The project daily oil allowable is 70.0 m³.
3. Project gas production, based on double the base GOR factor, will be limited to 24.8 10³ m³/d.
4. All produced gas must be conserved.
5. Any well exceeding a GOR of 1000 m³/m³ must be shut-in.
6. This approval may be modified or rescinded at a later date if deemed appropriate.



Doug McKenzie
Director
Resource Conservation Branch

DATED AT the City of Victoria, in the Province of British Columbia, this 14th day of May 2007.