



OIL AND GAS COMMISSION

September 15, 2004

5600-4540-59240-07

OGC - 04267

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

FAX RYAN CHONG
 403 266-6259
RICHARD SLOCOMB
 (ph) 250 952-0366
 DATE: SEPT 15, 2004

Dear Mr. Chong:

**RE: CONCURRENT PRODUCTION APPROVALS
LAPRISE CREEK - COPLIN "A" AND COPLIN "B" POOLS**

Attached are two Concurrent Production scheme approvals for the subject pools as requested in your application dated July 6, 2004.

The Laprise Creek Coplin "A" and Coplin "B" oil pools have been producing since March and September 2003, respectively. In the spring of 2004 the Oil and Gas Commission had identified the two Coplin pools as potential waterflood candidates. Concurrently, Crew Energy had begun collecting data and performing a simulation study in order to determine the feasibility of a waterflood pressure maintenance scheme. Results of this early study indicated that a waterflood pressure maintenance scheme would not yield significant gains in oil production. However, the Commission feels that an additional simulation study is required, once more production and pressure data has been gathered. This study will help in identifying an appropriate long term production strategy for these two pools. Thus, as an interim measure to increase pool production without sacrificing conservation principles, approvals 04-07-007 and 04-07-008 are hereby granted under Section 97 of the Petroleum and Natural Gas Act. These approvals are 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,

Craig Gibson, P. Eng.
Director
Resource Conservation Branch

Attachment

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

Copy 91

- Wellfile (originals)
- 59240
- Daily
- Resource Revenue
- S. Chicorelli
- R. Stefik
- G. Farr
- ~~_____~~
- R. Slocomb
- D. Krezanoski
- Leesa Turner

RESOURCE CONSERVATION

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel:
Location: 6th Flr 1810 Blanshard St

APPROVAL 04-07-007

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.

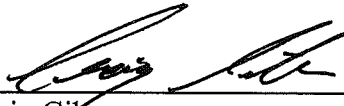
NOW, THEREFORE, the Commission, pursuant to section 97 of the Petroleum and Natural Gas Act, hereby approves the Concurrent Production scheme of Crew for oil and gas production, as such scheme is described in

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 2, 12, 13, 22 and 23
2. The project daily oil allowable is 50.0 m³.
3. Project gas production, based on double the base GOR factor, will be limited to 17.7 10³ 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 15th day of September 2004.

APPROVAL 04-07-008

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 35, 36, 45, 46, 56 and 57.
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 15th day of September 2004.