



OIL AND GAS COMMISSION

July 27, 2004

2700-2900-59240-07

OGC - 04230

Rod Hume, P.Eng.
BC Asset Team
Dominion Exploration Canada Ltd.
3200, 605 - 5th Avenue S.W.
Calgary AB T2P 3H5

Dominion Project (02)

Dear Mr. Hume:

**RE: CONCURRENT PRODUCTION APPROVAL
BUICK CREEK NORTH - DUNLEVY "U" POOL**

The Commission has reviewed your application for Concurrent Production, dated June 23, 2004, for the subject pool.

This single well pool is being produced from DECL et al N Buick a-77-K/94-A-14 (WA# 17339). Based on well pressure test data, and production performance from analogous area Dunlevy oil wells, pool size is likely small with limited development potential.

As gas production exceeds the solution gas-oil ratio and is being conserved, a Concurrent Production approval is considered appropriate. Accordingly, Approval 04-07-004 is hereby granted under Section 97 of the Petroleum and Natural Gas Act. This approval will allow flexibility in production management to maximize pool oil and gas recovery.

As the discovery well, allowable based oil production from a-77-K is royalty exempt for the first 36 producing months. Therefore, a **royalty-exempt volume cap of 8,069.1 m³** has been calculated for this well.

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

Attachment

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
- P. Attariwala
- D. Krezanoski

RESOURCE CONSERVATION

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APPROVAL 04-07-004

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

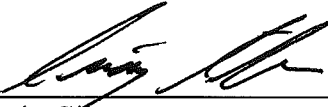
IN THE MATTER of a Concurrent Production scheme of Dominion Exploration Canada Ltd. (Dominion) for producing the Buick Creek North - Dunlevy "U" pool with a project oil and gas allowable.

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

an Application for Concurrent Production from Dominion to the Commission dated June 23, 2004 and related submission.

This scheme is approved, subject to the conditions herein contained and, in particular:

1. The area of the project shall consist of :
94-A-14 Block K – unit 77.
2. The project daily oil allowable is 50.0 m³.
3. Project gas production will be limited to 28.0 10³ m³/d.
4. All produced gas must be conserved.
5. Royalty exempt oil production entitlement for the discovery well DECL et al N Buick a-77-K/94-A-14 (WA# 17339) is limited to a volume of 8069.1 m³ or the volume produced in the first 36 producing months, whichever is lesser.
6. 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 27th day of July 2004.