



OIL AND GAS COMMISSION

March 6, 2003

4390-4520-59240-07
OGC - 03058

Paul Walmsley, P. Eng.
Vice President - Business Development
Duvernay Oil Corp.
1500, 202 - 6th Avenue S.W.
Calgary AB T2P 2R9

Duvernay Project (02)

Dear Mr. Walmsley:

RE: CONCURRENT PRODUCTION APPROVAL, AMENDMENT #1
GRONDBIRCH - CECIL "A" POOL

Attached is a Concurrent Production approval amendment for the subject pool, as requested in your application dated February 28, 2003.

The Approval 02-07-006 (Amendment #1) is hereby granted under section 97 of the Petroleum and Natural Gas Act.

The approval is intended to allow operational flexibility in order to obtain additional production for performance evaluation. We encourage you to evaluate the potential for installing pressure maintenance within the scheme area in order to optimize oil production from the pool.

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.
Manager
Reservoir Engineering and Geology

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

ENGINEERING AND GEOLOGY BRANCH

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APPROVAL 02-07-006 (AMENDMENT #1)

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

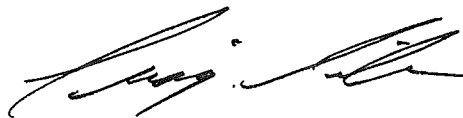
IN THE MATTER of a Concurrent Production scheme of Duvernay Oil Corp. (Duvernay) for producing the Groundbirch Cecil "A" pool with a project oil and gas allowable.

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

an Application from Duvernay to the Commission dated September 5, 2002 and February 28, 2003.

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

1. The area of the scheme shall consist of N/2 sec 3, S/2 sec 10 and NE/4 sec 10-79-19 W6M.
2. The project daily oil allowable is waived.
3. Gas production will be limited to $20.0 \times 10^3 \text{ m}^3/\text{d}$.
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.



Craig Gibson
Manager
Reservoir Engineering and Geology

DATED AT the City of Victoria, in the Province of British Columbia, this 6th day of March 2003.