



March 31, 2004

2920-4540-59240-07
OGC - 04122

Steven Burnside, P. Tech.
Production Engineer
Dominion Exploration Canada Ltd.
3200, 605 - 5th Avenue S.W.
Calgary AB T2P 3H5

Dominion Project (02)

Dear Mr. Burnside:

**RE: CONCURRENT PRODUCTION APPROVAL WITH
GOOD ENGINEERING PRACTICE
CACHE CREEK - COPLIN "A" POOL**

Attached is a Concurrent Production with Good Engineering Practice (GEP) scheme approval for the subject pool as requested in your applications dated January 18, 2004 and February 18, 2004.

The Cache Creek Coplin "A" pool has been producing since 1976 as a non-associated gas pool. The well DECL Cache B10-27-088-22 (WA 14968) commenced production as an oil well in September 2003 from the subject pool, requiring a change in pool interpretation to recognize a limited oil leg with large gascap. In order to maximize oil recovery from this partially depleted pool, while allowing continued gas production, a Concurrent Production approval is considered appropriate. Accordingly, Approval 04-07-003 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.

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 9

- Wellfile (originals)
- 59240
- Dally
- Resource Revenue
- S. Chicorelli
- R. Stefik
- G. Farr
- P. Attariwala
- D. Krezanoski

RESOURCE CONSERVATION BRANCH

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APPROVAL 04-07-003

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

IN THE MATTER of a Concurrent Production scheme with Good Engineering Practice (GEP) of Dominion Exploration Canada Ltd. (Dominion) for producing the Cache Creek Coplin "A" pool without spacing or target restrictions and without a project oil allowable.

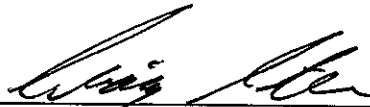
NOW, THEREFORE, the Commission, pursuant to Section 97 of the Petroleum and Natural Gas Act, hereby approves the Concurrent Production scheme of Dominion for oil and gas production without spacing or target restrictions and for concurrent production of oil and gas without an oil allowable, as such scheme is described in

an Application for GEP from Dominion to the Commission dated January 16, 2004 and, an Application for Concurrent Production from Dominion to the Commission dated February 18, 2004 and related submission.

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

1. The area of the scheme shall consist of :

Twp 88 Rge 22 W6M – Sections 3, 10, 16, 20-22, 27-29 and
fractional Sections 32-34
94-A-11 Block L – fractional units 4-9 and units 14, 15, 24, 25.
2. The project daily oil allowable is waived.
3. Project gas production will be limited to $120.0 \times 10^3 \text{ m}^3/\text{d}$.
4. All produced gas must be conserved.
5. The requirements of Sections 9 and 10 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 and gas wells within the scheme area are not completed nearer than 250 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
Director
Resource Conservation Branch

DATED AT the City of Victoria, in the Province of British Columbia, this 31st day of March 2004.