





March 30, 2005

8100-4580-59240-07
OGC - 05103

Ken Topolinsky, P.Eng.
Sr. Production Engineer
Hunt Oil Company of Canada Inc.
Suite 3100, 450 - 1st Street S.W.
Calgary AB T2P 5H1

FAX  KEN TOPOLOINSKY
(403) 215-8644
 RICHARD SLOCOMB
(250) 952-0366
 4 DATE: MARCH 30, 2005 

Dear Mr. Topolinsky:

**RE: CONCURRENT PRODUCTION APPROVAL
STODDART WEST - NORTH PINE "D" POOL**

Hunt Project (03)

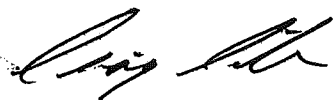
Attached is a Concurrent Production scheme approval for the subject pool as requested in your application dated March 3, 2005.

The subject pool has been on production since March 1999. Approval was granted by the OGC for waterflood pressure maintenance on January 28, 2000. The waterflood commenced operation on August 21, 2000 and operated until June 26, 2003, at which time injection of make up water was curtailed due to water break-through. However, Hunt Oil has continued to inject produced water into the injection well.

The North Pine "D" pool has one producer (10-34-86-21) and one injector (B6-34-86-21), in fairly close proximity. The subject pool has high permeability and as such it is thought that water channeled from the injector to the producer resulting in pre-mature water break-through and lower than expected oil recovery. Oil production from this pool will be severely restricted due to a high GOR penalty factor and will likely result in the producing well being abandoned early due to poor economics. The limited size of the subject pool does not warrant additional drilling to capture incremental reserves. At this point a concurrent production approval is expected to maximize oil recovery from this pool. Approval 05-07-002 is hereby granted under Section 97 of the Petroleum and Natural Gas Act. Consequently, the Pressure Maintenance Water Flood Approval 01-09-001 granted on January 28, 2000, is hereby rescinded.

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
RAS

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
- R. Slocomb
- D Krezanoski

RESOURCE CONSERVATION BRANCH

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0301

Location: 6th Flr 1810 Blanshard St, Victoria BC

APPROVAL 05-07-001

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

IN THE MATTER of a Concurrent Production scheme of Hunt Oil Company of Canada Inc. (Hunt Oil) for producing the Stoddart West – North Pine “D” 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 Hunt Oil for oil and gas production, as such scheme is described in

an Application for Concurrent Production from Hunt Oil to the Commission dated March 3, 2005.

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

1. The area of the scheme shall consist of :

Twp 086 Rge 21W6M – section 34
2. The project daily oil allowable is 10.0 m³/d.
3. Project gas production, based on current production will be limited to 10.0 10³ 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 30th day of March, 2005