



May 13, 2009

2000-4520-59240-07

Kerry Rawson  
President  
Northpine Energy Ltd.  
700, 630 – 6<sup>th</sup> Avenue S.W.  
Calgary AB T2P 0S8

Dear Mr. Rawson:

**RE: TEMPORARY CONCURRENT PRODUCTION APPROVAL  
BOUNDARY LAKE – CECIL “F” POOL**

Commission staff have reviewed your request, dated February 20, 2009, to rescind the cease production order issued January 16, 2007.

The Boundary Lake – Cecil “F” has been mapped as a linear sandstone body transected by several faults of uncertain displacement. Of the five wells penetrating this sand body only two are capable of production. The wells 1-6-85-14 W6M (WA# 21837) and 1-7-85-14 W6M (22059) are wet, while 7-6-85-14 W6M (WA# 4886) is likely oil bearing though DST's were indeterminate. The two producing wells are TBE Boundary 10-31-84-14 W6M (WA# 21839) and Northpine Boundary 14-30-84-14 W6M (WA# 21070). The Northpine 14-30 well is gas bearing and has been shut-in since January 16, 2007 as a suspected gas cap well to the 10-31 well. The 10-31 and 14-30 pressure data indicates partial communication, with trends that appear to be converging. It is inconclusive at this point if simultaneous gascap production will imperil ultimate oil recovery.

The Commission believes that a connection may exist between the 10-31 and 14-30 wells and currently maps these wells as part of the Boundary Lake Cecil “F” pool. In an effort to better define the connection between these two wells the Commission is issuing a temporary concurrent production approval allowing gascap gas production from the well Northpine Boundary 14-30-84-14 W6M. This well will be allowed to produce at an unrestricted rate until an additional  $3.0 \times 10^6 \text{ m}^3$  of gas have been produced. At the end of this production period, as per section 53(1) of the *Drilling and Production Regulation*, a reservoir pressure survey test must be performed to obtain a measurement of the current value.

The Approval 09-07-003 is hereby granted under Section 97 of the Petroleum and Natural Gas Act.

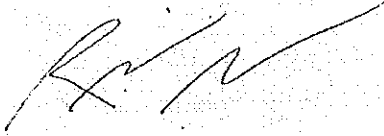
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Should you have any questions, please contact the undersigned at (250) 952-0366 or Kelly Okuszko at (250) 952-0325.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Slocomb', written over a light gray dotted background.

Richard Slocomb, P.Eng.  
Supervisor, Reservoir Engineering  
Resource Conservation

Attachment

APPROVAL 09-07-003

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

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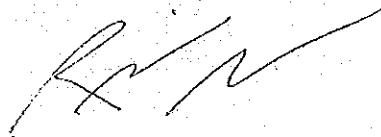
IN THE MATTER of a Concurrent Production scheme of Northpine Energy Ltd. (Northpine) for producing gascap gas from a portion of the Boundary Lake Cecil "F" pool with a project gas allowable.

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

*an Application to the Commission dated February 20, 2009 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 ;  
84-14W6M – Section 30
2. The project daily gas allowable has been waived.
3. The project cumulative production limit is  $3.0 \times 10^6 \text{m}^3$ . Upon reaching the cumulative production limit a reservoir pressure survey test must be performed to obtain a measurement of the current value.
4. All produced gas must be conserved.
5. The requirements of Section 10 of the *Drilling and Production Regulation* are hereby waived, provided that 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.



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Richard Slocomb  
Supervisor, Reservoir Engineering  
Resource Conservation

DATED AT the City of Victoria, in the Province of British Columbia, this 14<sup>th</sup> day of May, 2009.