



OIL AND GAS COMMISSION

March 22, 2001

3520-2600-59240-07
OGC - 01080

Brad B. Kurucz, C.E.T
Reservoir Engineering Technologist
Penn West Petroleum Ltd.
P.O. Box 1450, Station "M"
Calgary AB T2P 2L6

Penn West Project (02) "F"
Penn West Project (02) "G"

Dear Mr. Kurucz:

RE: CONCURRENT PRODUCTION APPROVALS
FIREBIRD BLUESKY "F" AND "G" OIL POOLS

The Commission has reviewed your applications for Concurrent Production for the subject pools, dated February 21, 2001.

As gas produced exceeds the solution gas-oil ratio and this gas will be conserved (not flared), a Concurrent Production approval is appropriate.

The Approvals 01-07-004 and 01-07-005 are hereby granted under section 97 of the Petroleum and Natural Gas Act. These two single well pools appear to have limited reserves. The Commission agrees that with little opportunity to increase the expected poor recovery, removal of the GOR based production restriction will allow the maximum economic recovery from the pools.

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

Attachments

ENGINEERING AND GEOLOGY BRANCH

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APPROVAL 01-07-004

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

IN THE MATTER of a Concurrent Production scheme of Penn West Petroleum Ltd. (Penn West) for producing the Firebird Bluesky "F" 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 Penn West for oil and gas production with project allowables, as such scheme is described in

an Application from Penn West to the Commission dated February 21, 2001 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 unit 2 of Block H/94-H-3.
2. The project oil allowable is 10.0 m³/d.
3. Gas production from the project will be limited to 7.5 10³ m³/d.
4. All produced gas must be conserved. (*eff. March 21, 2001*)
5. Royalty free oil production for the discovery well d-2-H/94-H-3 (WA 8023) is limited to 3,203.2 m³, or the volume produced in the first 36 producing months, whichever is lesser. This volume is subject to review and amendment following additional production data.
6. 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.
7. 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 22nd day of March, 2001.

APPROVAL 01-07-005

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

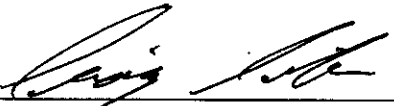
IN THE MATTER of a Concurrent Production scheme of Penn West Petroleum Ltd. (Penn West) for producing the Firebird Bluesky "G" pool with a project oil and gas allowable.

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

an Application from Penn West to the Commission dated February 21, 2001 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 unit 3 of Block H/94-H-3.
2. The project oil allowable is 10.0 m³/d.
3. Gas production from the project will be limited to 10.0 10³m³/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 22nd day of March, 2001.