

July 10, 2009

5860-4900-59240-07

Christine Robertson, P.Eng.  
Chief Operating Officer  
Sabretooth Energy Ltd.  
702, 2303 – 4<sup>th</sup> Street S.W.  
Calgary AB T2P 2S7

Dear Ms. Robertson:

**RE: CONCURRENT PRODUCTION APPROVAL  
MICA FIELD – DOIG “D” POOL**

Commission staff have reviewed your application, dated June 2, 2009, for Concurrent Production for the subject oil pool.

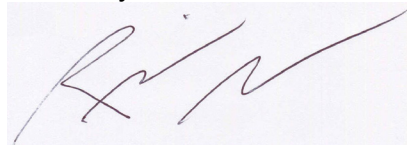
The Mica – Doig “D” is a single well oil pool, produced from Sabretooth Mica 4-29-81-13 W6M (WA #23999). An Other Than Normal Spacing order was issued by the OGC in April 2008 for this fractional area. Production commenced in July 2008 under a daily oil allowable of 10.0 m<sup>3</sup>. The well is presently shut-in to retire overproduction of the GOR penalty factor adjusted allowable. Available information would indicate this pool is of limited size but of a quality that should result in good primary oil recovery under continuous operation.

The Approval 09-07-004 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 recovery. The well 4-29 may re-commence operation without retirement of the remaining overproduction.

As the discovery well of a new oil pool, allowable based oil production is royalty exempt for the first 36 producing months. Therefore, a **royalty-exempt volume cap of 4,009.6 m<sup>3</sup>** has been calculated for this well, as stated in condition #6 of the approval.

Should you have any questions, please contact Ron Stefik at (250) 419-4430.

Sincerely,



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

Attachment

cc: Ministry of Finance - Mineral, Oil and Gas Revenue

**APPROVAL 09-07-004**

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

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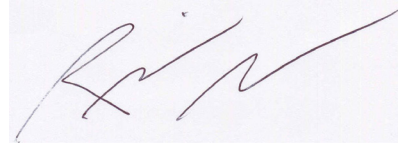
IN THE MATTER of a Concurrent Production scheme of Sabretooth Energy Ltd. (Sabretooth) for producing the Mica field Doig "D" oil pool without an oil production allowable restriction.

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

*an Application to the Commission dated June 2, 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:  
Twp 81 Rge 13 W6M Section 29 – Lsds 4, 5 & fractional Lsds 3,6.
2. The project daily oil allowable is waived.
3. Gas production is limited to  $12.0 \times 10^3 \text{m}^3/\text{d}$ .
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. Royalty-exempt oil production from the discovery well Sabretooth Mica 4-29-81-13 W6M (WA #23999) shall be limited to a volume of  $4,009.6 \text{m}^3$ , or the volume produced during the first 36 producing months, whichever comes first.
7. 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 10<sup>th</sup> day of July 2009.