

October 8, 2009

9000-8285-59240-15

Maggie Dittrick, P.Geol.
Geologist
Petrobank Energy and Resources Ltd.
1900, 111 – 5th Avenue S.W.
Calgary, Alberta T2P 3Y6

Dear Ms. Dittrick:

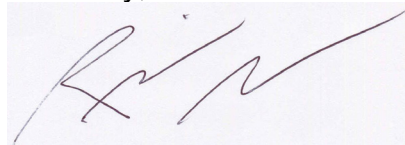
**RE: APPLICATION FOR APPROVAL OF AN EXPERIMENTAL SCHEME
EVIE BANK AREA – HORN RIVER FORMATION**

Commission staff have reviewed your application dated April 16, 2009 requesting experimental scheme approval to test the gas potential of the Devonian shales in the Horn River Basin in northeast British Columbia.

Activity in the Horn River Basin has increased significantly since the first experimental scheme approval was issued in 2005. Currently there are over 30 experimental scheme approvals in the Horn River Basin with many wells set to be released from confidentiality over the coming year. Petrobank's proposed completion technology is not considered unique. Several operators in the basin have utilized or are utilizing techniques comparable to those proposed by Petrobank.

The application submitted to the Commission has not demonstrated that the proposed methods are untried and unproven in the particular application. Consequently, Petrobank's application for experimental scheme approval is denied.

Sincerely,



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