



OIL AND GAS COMMISSION

December 5, 2006

3200-8400-59240-15

Christine Mercier
Reservoir Engineer
Fort Nelson Asset Team
Petro-Canada Oil and Gas
P.O. Box 2844
Calgary AB T2P 3E3

Dear Ms. Mercier:

RE: EXPERIMENTAL SCHEME APPROVAL, AMENDMENT #2
CLARKE LAKE -SLAVE POINT "A" GAS POOL

The Commission has reviewed your application dated November 8, 2006 requesting an amendment to the experimental scheme approval to test artificial lift technologies in order to optimize gas recovery from the subject pool.

Petro-Canada recently drilled the well b-B18-D/94-J-16 (WA# 21039) to accommodate disposal of produced water from the wells within the experimental area. The Commission agrees that this well is a good candidate for salt water disposal into the Slave Point and Pine Point formations.

Attached is Approval 05-15-001 (Amendment #2) for the application granted under section 100 of the Petroleum and Natural Gas Act.

Sincerely,

Doug McKenzie
Director
Resource Conservation Branch

Attachments

RESOURCE CONSERVATION BRANCH

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APPROVAL 05-15-001 (Amendment #2)

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

IN THE MATTER of the experimental scheme of Petro-Canada Oil and Gas (Operator) to test the commercial viability of artificial lift technology for optimizing gas recovery in the Clarke Lake – Slave Point “A” pool.

NOW THEREFORE, the Commission, pursuant to section 100 of the Petroleum and Natural Gas Act, R.S.B.C. 1996, c.361, hereby orders as follows:

The experimental scheme for testing artificial lift technologies in order to optimize gas recovery in the Clarke Lake- Slave Point “A” pool, as such proposal is described in the application to the Commission dated February 24, 2005 supplemented with additional applications dated November 3, 2005 and November 8, 2006 is hereby amended, subject to terms and conditions herein contained.

1. The area of the experimental scheme consists of;

94-J-9	Block L – unit 98-100
94-J-10	Block I – units 91-97
94-J-15	Block A – units 1-7
94-J-16	Block D – unit 8-10, 18

2. Produced water from wells within the experimental scheme area may be disposed into the Slave Point and Pine Point formations through the well b-B18-D/094-J-16 (WA# 21039).

3. A record of volume of salt water disposed of through the well b-B18-D/094-J-16 must be included on a Monthly Injection/Disposal Statement, in the prescribed form (BC-S18), which must be submitted to the Oil and Gas Commission not later than the 25th day of the month following the reported month.

4. The disposal/injection pressure at the sandface must not exceed the formation fracture pressure.

5. The gas wells within the scheme area may be produced without individual well allowable restrictions.

6. The Operator must submit a progress report to the Commission annually. The progress report is due within 60 days after the end of each period and must contain:
 - i) the daily average rate of gas and water produced during each month for each producing well, and for the scheme as a whole,
 - ii) the monthly cumulative gas and water production from each producing well, and for the scheme as a whole,
 - iii) details of any workover or fracture treatment program done on any of the wells with results of the workovers or fracture treatment,

- iv) an evaluation of bottom hole pressures and any other data collected,
 - v) representative sample analysis of produced gas and water,
 - vi) a discussion of the overall performance of the scheme,
 - vii) any other information that is considered necessary, in the opinion of the Commission, to evaluate the progress, performance and efficiency of the scheme.
7. The operations of the experimental scheme will be subject to review by the Commission. The Director, Resource Conservation Branch or the Director, Operations Engineering Branch, may issue guidelines regarding the operations of the scheme.
8. The approval or any condition of it may be modified, if deemed appropriate.



Doug McKenzie
Director
Resource Conservation Branch

DATED AT the City of Victoria, in the Province of British Columbia, this 5th day of December 2006.