



OIL AND GAS COMMISSION

April 12, 2005

3200-8400-59240-15
OGC - 05122

Tom Everest
Sr. Reservoir Engineer
Western Canada Development and Operations
Petro-Canada Oil and Gas
P.O. Box 2844
Calgary AB T2P 3E3

Petro-Canada Project #2(03)

Dear Mr. Everest:

RE: EXPERIMENTAL SCHEME APPROVAL
CLARKE LAKE - SLAVE POINT "A" GAS POOL

The Commission has reviewed your application dated February 24, 2005 requesting experimental scheme approval to test artificial lift technologies in order to optimize gas recovery from the subject pool.

Attached is Approval 05-15-001 for the application granted under section 100 of the Petroleum and Natural Gas Act. No objections were received following the publication of a notice of your application in the B.C. Gazette.

The Commission must be notified in writing of the effective commencement date of activity for the scheme approval. In accordance with section 57 of the *Drilling & Production Regulation* all new well reports and new well data within the scheme area will be held confidential for a period of 3 years.

Please note that a progress report, as specified in item 5 of the approval, must be submitted on an annual basis with the first one due on the first anniversary of the commencement date.

Sincerely,

Craig Gibson, P. Eng.
Director
Resource Conservation Branch

Attachments

Approval Letters to Industry
GEP, SWD, CONCURRENT PROD,
PRESSURE MAINTENANCE,
WATERFLOOD, ETC.

Copy 9

<input type="checkbox"/>	Wellfile (originals)
<input type="checkbox"/>	59240
<input type="checkbox"/>	Daily
<input type="checkbox"/>	Resource Revenue
<input type="checkbox"/>	S. Chicorelli
<input type="checkbox"/>	R. Stefik
<input type="checkbox"/>	G. Farr
<input type="checkbox"/>	R. Slocomb
<input type="checkbox"/>	D. Krezanoski

RESOURCE CONSERVATION BRANCH

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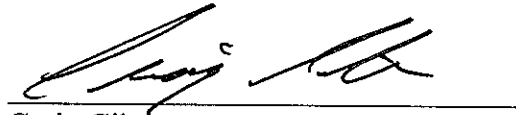
THE PROVINCE OF BRITISH COLUMBIA
PETROLEUM AND NATURAL GAS ACT
OIL AND GAS COMMISSION

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:

1. 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 is hereby approved, subject to terms and conditions herein contained.
2. The area of the experimental scheme consists of;
 - 94-J-9 Block L – unit 100
 - 94-J-10 Block I – units 91-97
 - 94-J-15 Block A – units 1-7
 - 94-J-16 Block D – unit 10
3. The gas wells within the scheme area may be produced without individual well allowable restrictions.
4. 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 scheme area.
5. 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:
 - a) the daily average rate of gas and water produced during each month for each producing well, and for the scheme as a whole,
 - b) the monthly cumulative gas and water production from each producing well, and for the scheme as a whole,
 - c) details of any workover or fracture treatment program done on any of the wells with results of the workovers or fracture treatment,
 - d) an evaluation of bottom hole pressures and any other data collected,
 - e) representative sample analysis of produced gas and water,
 - f) a discussion of the overall performance of the scheme,
 - g) any other information that is considered necessary, in the opinion of the Commission, to evaluate the progress, performance and efficiency of the scheme.

6. 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.
7. The approval or any condition of it may be modified, if deemed appropriate.



Craig Gibson
Director
Resource Conservation Branch

DATED AT the City of Victoria, in the Province of British Columbia, this 12th day of April 2005.