



September 20, 2002

OGC - 02165

5000-1720-59240-15

Joseph Cheung, P. Eng.
Development & Operations Team Leader
Jedney Area
Petro-Canada Oil and Gas
P.O. Box 2844
Calgary AB T2P 3E3

Dear Mr. Cheung:

**RE: EXPERIMENTAL SCHEME APPROVALS (10 approvals)
JEDNEY AREA - LOWER CRETACEOUS CLASTIC SEQUENCES**

The Commission has reviewed your application dated August 12, 2002 requesting experimental scheme approvals to explore, develop, evaluate and test the viability of low permeability lower Cretaceous clastic sequences of the Jedney area in northeast British Columbia.

Attached are Approvals 02-15-004 to 02-15-013 for the application granted under section 100 of the Petroleum and Natural Gas Act. At this time there is very limited information available for the viability of lower Cretaceous clastic sequence gas production. Accordingly, the schemes are considered experimental, as they require ongoing research as to production methodology. 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 each of the scheme approvals. In accordance with section 57 of the *Drilling & Production Regulation* all well reports and well data within the scheme area will be held confidential for a period of 3 years.

Please note that progress reports, as specified in item 5 of the approvals, 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.
Manager
Reservoir Engineering and Geology

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"/>	P. Attariwala
<input type="checkbox"/>	D. Krezanoski

ENGINEERING AND GEOLOGY BRANCH

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 960-3100

Location: 6th Flr 1810 Blanshard St. Victoria BC

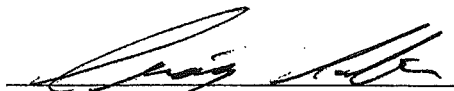
APPROVAL 02-15-004

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 low permeability lower Cretaceous clastic sequence gas in the Jedney area of NE British Columbia.

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 the exploration and development of low permeability lower Cretaceous clastic sequence gas in the Jedney area, as such proposal is described in the application to the Commission dated August 12, 2002 is hereby approved, subject to terms and conditions herein contained.
2. The area of the experimental scheme consists of units 94, 95 of Block F and units 4 and 5 of Block K/94-G-8.
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 Manager, Reservoir Engineering and Geology or the Manager, Operations Engineering, may issue guidelines regarding the operations of the scheme.
7. The approval or any condition of it may be modified or rescinded, if deemed appropriate.


Craig Gibson
Manager
Reservoir Engineering and Geology

DATED AT the City of Victoria, in the Province of British Columbia, this 20th day of September 2002.

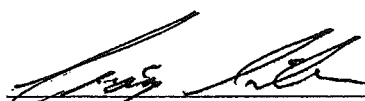
APPROVAL 02-15-005

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PETROLEUM AND NATURAL GAS ACT
OIL AND GAS COMMISSION

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1. The experimental scheme for the exploration and development of low permeability lower Cretaceous clastic sequence gas in the Jedney area, as such proposal is described in the application to the Commission dated August 12, 2002 is hereby approved, subject to terms and conditions herein contained.
2. The area of the experimental scheme consists of units 78, 79, 88, 89, 98, 99 of Block C and units 8, 9, 12-15, 18, 19, 22-25, 28, 29, 36, 37, 46 and 47 of Block F/94-G-8.
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.
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 - a) the daily average rate of gas and water produced during each month for each producing well, and for the scheme as a whole,
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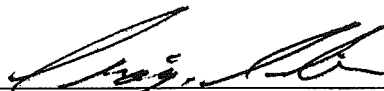
APPROVAL 02-15-006

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

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2. The area of the experimental scheme consists of units 74-79, 84-89, 98, 99 of Block B and units 8 and 9 of Block G/94-G-8.
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:
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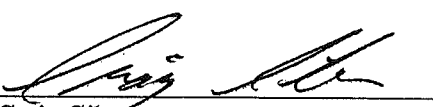
APPROVAL 02-15-007

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2. The area of the experimental scheme consists of units 56, 57, 66, 67, 76, 77, 86 and 87 of Block A/94-G-8.
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.
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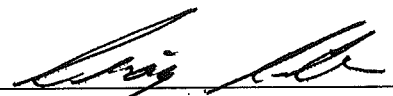
APPROVAL 02-15-008

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

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1. The experimental scheme for the exploration and development of low permeability lower Cretaceous clastic sequence gas in the Jedney area, as such proposal is described in the application to the Commission dated August 12, 2002 is hereby approved, subject to terms and conditions herein contained.
2. The area of the experimental scheme consists of units 94, 95 of Block L/94-G-1 and units 4 and 5 of Block D/94-G-8.
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.
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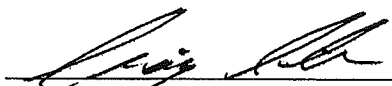
APPROVAL 02-15-009

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2. The area of the experimental scheme consists of units 58-60, 68-70, 80, 90, 98-100 of Block J and units 32-35, 42-45, 51-53, 61-63, 71-75, 81-85, 91 of Block K/94-G-1 and units 8-10, 16-19, and 26-29 of Block B and unit 1 of Block C/94-G-8.
3. The gas wells within the scheme area may be produced without individual well allowable restrictions.
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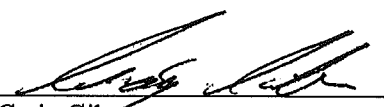
APPROVAL 02-15-010

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2. The area of the experimental scheme consists of units 92, 93 of Block G and units 2 and 3 of Block J/94-G-1.
3. The gas wells within the scheme area may be produced without individual well allowable restrictions.
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APPROVAL 02-15-011

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2. The area of the experimental scheme consists of units 52-55, 62-65, 74-77 and 84-87 of Block F/94-G-1.
3. The gas wells within the scheme area may be produced without individual well allowable restrictions.
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2. The area of the experimental scheme consists of units 11, 21 of Block F and units 20 and 30 of Block G/94-G-1.
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11


APPROVAL 02-15-013

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2. The area of the experimental scheme consists of units 14, 15, 24 and 25 of Block H/94-G-1.
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