



OIL AND GAS COMMISSION

July 24, 2003

3600-6200-59240-06
OGC - 03201

Kelly White, P.Eng.
Production/Exploitation Engineer
Cougar Hydrocarbons Inc.
410, 1210 - 8th Street S.W.
Calgary AB T2P 1L3

Cougar Project (02)

Dear Ms. White:

RE: GOOD ENGINEERING PRACTICE APPROVAL
FORT ST JOHN BELLOY "E" POOL

Attached is a Good Engineering Project (GEP) scheme approval for a portion of the subject pool, as requested in your application of June 17, 2003.

The Approval 03-06-026 is hereby granted under Part 8, Division 6, Section 101 of the British Columbia *Drilling and Production Regulation*.

This approval is intended to allow operational flexibility and to allow production from multiple gas wells without regard to spacing and target considerations for maximization of gas recovery. No objections were received following a publication of notice of the application in the BC Gazette.

Since the well 14-5-83-18 W6M (WA 15762) is completed in an off-target location for gas, it is subject to a penalized daily gas allowable (DGA). However, off-target penalty has been waived.

Should you have any questions, please contact Peter Attariwala at (250) 952-0311 or Ron Stefik at 952-0310.

Sincerely,

Craig Gibson, P. Eng.
Manager
Reservoir Engineering and Geology

Attachment

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

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Location: 6th Flr 1810 Blanshard St, Victoria BC

Headquarters: #200, 10003 110th Ave, Fort St. John BC V1J 6M7 Tel: (250) 261-5729 Fax: (250) 261-5744 www.ogc.gov.bc.ca

APPROVAL 03-06-026

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

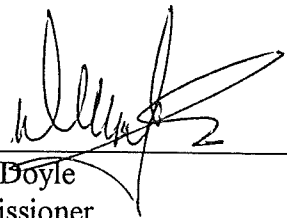
IN THE MATTER of a Good Engineering Practice (GEP) scheme of Cougar Hydrocarbons Inc. (Cougar) for producing a portion of the Fort St John Belloy "E" pool gas without well spacing, target and production restrictions.

NOW, THEREFORE, the Commission, pursuant to Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*, hereby approves the GEP scheme of Cougar as such scheme is described in

an Application from Cougar to the Commission dated June 17, 2003.

This scheme is approved, subject to the conditions herein contained and, in particular:

1. The area of the project shall consist of: section 5-83-18 W6M
2. The requirements of Section 10 of the *Drilling and Production Regulation* are hereby waived, provided that gas wells within the project area are not completed nearer than 250 m to the sides of the approved project area.
3. The gas wells within the project area may be produced without individual well allowable restrictions.
4. This approval may be modified or rescinded at a later date if deemed appropriate.



Derek Boyle
Commissioner
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 27th day of July 2003.