



March 21, 2001

6140-4800-59240-06
OGC - 01079

Mr. Mark Taylor, P. Eng.
Project Manager, Monias Development
AEC Oil & Gas
3700, 707 - 8th Avenue S.W.
Calgary AB T2P 1H5

Dear Mr. Taylor:

**RE: GOOD ENGINEERING PRACTICE APPROVALS
MONIAS HALFWAY "T" AND "U" POOLS**

Attached are Good Engineering Practice (GEP) scheme approvals for the subject pools, as requested in your application of January 29, 2001.

The Approvals 01-06-004 and 01-06-005 are hereby granted under Part 8, Division 6, section 101 of the British Columbia *Drilling and Production Regulation*. These approvals will allow the drilling of gas wells without regard for spacing and target regulations in order to optimize pool drainage and recovery. Daily gas allowables are not required, so long as wells are not completed closer than 250m to the sides of the approved project areas. Please note that PNG lease selections are required before wells are placed on continuous production.

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

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

- Wellfile (originals)
- 59240
- Daily
- Resource Revenue
- S. Chicorelli
- R. Stefik
- G. Farr
- P. Attariwala
- D. Krezanoski

ENGINEERING AND GEOLOGY BRANCH

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0291

Location: 6th Flr 1810 Blanshard St, Victoria BC

APPROVAL 01-06-004

**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 AEC Oil & Gas (AEC) for producing Monias Halfway "T" pool gas wells without spacing and target restrictions.

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

an Application from AEC to the Commission dated January 29, 2001.

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

1. The area of the project shall consist of sections 22 - 26 and section 36-81-22 W6M.
2. 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 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.



Craig Gibson
Manager
Reservoir Engineering and Geology

DATED AT the City of Victoria, in the Province of British Columbia, this 21st day of March 2001.

APPROVAL 01-06-005

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

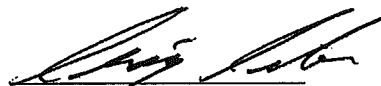
IN THE MATTER of a Good Engineering Practice (GEP) scheme of AEC Oil & Gas (AEC) for producing Monias Halfway "U" pool gas wells without spacing and target restrictions.

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

an Application from AEC to the Commission dated January 29, 2001.

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

1. The area of the project shall consist of sections 16 - 18 and sections 20 - 22 of 81-22 W6M.
2. 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 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.



Craig Gibson
Manager
Reservoir Engineering and Geology

DATED AT the City of Victoria, in the Province of British Columbia, this 21st day of March 2001.