



June 14, 2004

1280-2630-59240-06
OGC - 04203

Peter Chernik
Reservoir Engineering Advisor
Apache Canada Ltd.
Suite 1000, 700 - 9th Avenue S.W.
Calgary AB T2P 3V4

Apache Project (02)

Dear Mr. Chernik:

**RE: GOOD ENGINEERING PRACTICE APPROVAL
BIRLEY CREEK - BLUESKY-GETHING "A" POOL**

The Commission has reviewed your application dated May 4, 2004 requesting a Good Engineering Practice (GEP) scheme approval for producing gas from a portion of the Birley Creek field Bluesky-Gething "A" pool.

Attached is a GEP scheme approval for a portions of the subject pool. The Approval 04-06-042 is hereby granted under Part 8, Division 6, Section 101 of the British Columbia *Drilling and Production Regulation*. The approval is intended to allow operational flexibility and to allow the drilling of additional gas wells without spacing and target considerations for maximization of gas recovery.

Should you have any questions, please contact the undersigned (250) 952-0294 or Ron Stefik (250) 952-0310.

Sincerely,

Craig Gibson, P. Eng.
Director
Resource Conservation Branch

Attachment

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

Copy 9

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

RESOURCE CONSERVATION BRANCH

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0301
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APPROVAL 04-06-042

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 Apache Canada Ltd. (Apache) to produce the Birley Creek Bluesky-Gething "A" 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 Apache for drilling wells without spacing and target restrictions, as such scheme is described in

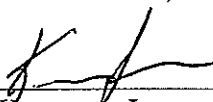
an Application from Apache to the Commission dated May 4, 2004.

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

1. The area of the project shall consist of:

94-H-3:
Block G - units 52-55 and 62-65

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. Gas wells located within spacing areas directly adjoining producing non-project spacing areas must be restricted to a daily gas allowable of $60.0 \text{ } 10^3 \text{ m}^3$, per spacing area, as per Section 88(7) of the *Regulation*.
5. This approval may be modified or rescinded at a later date if deemed appropriate.



Kameron Jones
Deputy Commissioner
Oil and Gas Commission

DATED AT the City of Fort St. John, in the Province of British Columbia, this 14th day of June 2004.