



June 14, 2004

7250-2400-59240-06  
OGC - 04204

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

Apache Project #1 (06)  
Apache Project #2 (07)

Dear Mr. Chernik:


**RE: GOOD ENGINEERING PRACTICE APPROVALS  
PICKELL - NOTIKEWIN "A" POOL**

The Commission has reviewed your application dated May 4, 2004 requesting a Good Engineering Practice (GEP) scheme approval for producing gas from two areas within the Pickell field Notikewin "A" pool.

Attached are two GEP scheme approvals for portions of the subject pool. The Approvals 04-06-043 (Apache Project #1) and 04-06-044 (Apache Project #2) are hereby granted under Part 8, Division 6, Section 101 of the British Columbia *Drilling and Production Regulation*. The approvals are 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 Peter Attariwala at (250) 952-0311 or Ron Stefik (250) 952-0310.

Sincerely,

*for*   
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"/> | Dally                |
| <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        |

**RESOURCE CONSERVATION BRANCH**

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0301  
Location: 6<sup>th</sup> Flr 1810 Blanshard St, Victoria BC

APPROVAL 04-06-043

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

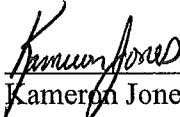
IN THE MATTER of a Good Engineering Practice (GEP) scheme of Apache Canada Ltd. (Apache) for producing a portion of the Pickell Notikewin "A" gas pool without well spacing and target restrictions.

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  $60.0 \times 10^3 \text{ m}^3$ , 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 8<sup>th</sup> day of June 2004.

APPROVAL 04-06-044

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

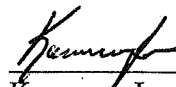
IN THE MATTER of a Good Engineering Practice (GEP) scheme of Apache Canada Ltd. (Apache) for producing a portion of the Pickell Notikewin "A" gas pool without well spacing and target restrictions.

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 H - units 76, 77, 86, 87, 92-95
  - Block I - units 2-5, 14-19, 24-29, 36-40, 46-50
  - Block J - units 31 and 41.
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 10<sup>3</sup>m<sup>3</sup>, 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 8<sup>th</sup> day of June 2004.