



OIL AND GAS COMMISSION

November 25, 2004

3200-8600-59240-06
OGC - 04332

A.L. Anderson, P.Eng.
Senior Engineer
Aquest Energy Limited
1000, 734 - 7th Avenue S.W.
Calgary AB T2P 3P8

Aquest Project (02)

Dear Mr. Anderson:

**RE: GOOD ENGINEERING PRACTICE APPROVAL
CLARKE LAKE - PINE POINT "E" POOL**

The Commission has reviewed the application dated September 28, 2004, prepared on your behalf by Fekete Associates Inc., requesting Good Engineering Project (GEP) scheme approval for producing gas from the Pine Point "E" pool of the Clarke Lake field.

Attached is Approval 04-06-069, granted under Part 8, Division 6, Section 101 of the British Columbia *Drilling and Production Regulation*.

This approval is intended to allow operational flexibility to produce gas wells without spacing and target considerations for maximization of gas recovery. The complex nature of the pool geology necessitates development drilling at an increased well density to optimize well locations. A daily gas allowable, retained on a project basis, should allow flexibility in production operations to mitigate possible water coning. Water production rates should be monitored closely.

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

Sincerely,

Craig Gibson, P. Eng.
Director
Resource Conservation Branch

Attachment

cc: Robyn Swanson, Fekete Associates Inc.

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

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<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"/>	R. Slocomb
<input type="checkbox"/>	D. Krezanoski

RESOURCE CONSERVATION BRANCH

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APPROVAL 04-06-069

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 Aquest Energy Limited (Aquest) for producing Clarke Lake Pine Point "E" 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 Aquest as such scheme is described in

an Application from Fekete Associates Inc., on behalf of Aquest, to the Commission dated September 28, 2004.

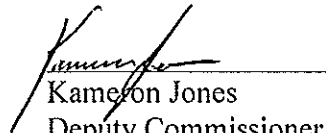
This scheme is approved, subject to the conditions herein contained and, in particular:

1. The area of the project shall consist of:

94-J-10: Block K - units 76, 77, 80, 86, 87, 90, 96-100
Block L - units 71, 81, 91

94-J-15: Block C - units 6-10
Block D - units 1.

2. Project daily gas production is limited to $250.8 \text{ e}^3\text{m}^3$.
3. 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.
4. This approval may be modified or rescinded at a later date if deemed appropriate.


Kameon Jones
Deputy Commissioner
Oil and Gas Commission

DATED AT the City of Fort St. John, in the Province of British Columbia, this 19th day of November 2004.