

April 19, 2010

9030-2800-59240-06

Bruce Nociar, P. Eng.  
Vice President, Production  
Artek Exploration Ltd.  
1000, 700 – 4<sup>th</sup> Avenue S.W.  
Calgary, Alberta T2P 3J4

Dear Mr. Nociar:

**RE: GOOD ENGINEERING PRACTICE APPROVAL**  
**DEEP BASIN – CADOMIN “A” POOL**

Commission staff have reviewed your application, dated February 22, 2010, requesting Good Engineering Practice (GEP) scheme approval for producing gas from the Deep Basin field – Cadomin “A” pool.

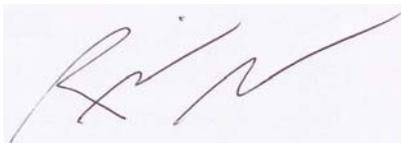
Gas recovery from this tight formation would benefit from the ability to produce horizontal wells in optimal locations.

Attached are GEP Approvals 10-06-017 (Artek Project #2) and 10-06-018 (Artek Project #3), hereby granted under Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*. These approvals are intended to allow the drilling and production of gas wells at increased density without regard for normal spacing and target areas for maximization of gas recovery.

No objections were received following public notice of the application on the OGC website.

Should you have any questions, please contact the undersigned at (250) 419-4421 or Travis Mercure at (250) 419-4448.

Sincerely,



Richard Slocomb, P.Eng.  
Supervisor, Reservoir Engineering  
Resource Conservation

Attachment

**APPROVAL 10-06-017**

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

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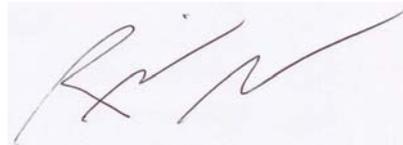
IN THE MATTER of a Good Engineering Practice (GEP) scheme of Artek Exploration Ltd. (Artek) for producing gas wells from the Deep Basin - Cadomin "A" pool without well spacing and target restrictions.

NOW, THEREFORE, the Commission, pursuant to Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*, hereby approves the GEP scheme of Artek for drilling wells without spacing and target restrictions, as such scheme is described in

*an application from Artek to the Commission dated February 22, 2010.*

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

1. The area of the scheme shall consist of:  
93-P-1: Block E – units 32, 33, 42, 43, 52, 53, 62, 63, 74-79, 84-89
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.



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Richard Slocomb  
Supervisor, Reservoir Engineering  
Resource Conservation

DATED AT the City of Victoria, in the Province of British Columbia, this 19<sup>th</sup> day of April 2010.

**APPROVAL 10-06-018**

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

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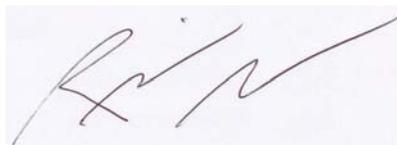
IN THE MATTER of a Good Engineering Practice (GEP) scheme of Artek Exploration Ltd. (Artek) for producing gas wells from the Deep Basin - Cadomin "A" pool without well spacing and target restrictions.

NOW, THEREFORE, the Commission, pursuant to Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*, hereby approves the GEP scheme of Artek for drilling wells without spacing and target restrictions, as such scheme is described in

*an application from Artek to the Commission dated February 22, 2010.*

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

1. The area of the scheme shall consist of:  
  
93-P-2: Block H – units 92-95  
93-P-2: Block I – units 2-5, 12-15, 22-25.
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.



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Richard Slocomb  
Supervisor, Reservoir Engineering  
Resource Conservation

DATED AT the City of Victoria, in the Province of British Columbia, this 19th day of April 2010.