



December 6, 2006

9030-2800-59240-06

Chad Thompson, C.E.T.
Exploitation Technologist
Avenir Operating Corp.
300, 116 – 8th Avenue S.W.
Calgary AB T2P 1B3

Dear Mr. Thompson:

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

Commission staff have reviewed your application, dated May 17, 2006 requesting Good Engineering Practice (GEP) approval for the Cadomin formation in the Cutbank and Deep Basin area.

Please note that the Commission designates this area as the Deep Basin field, for gas production from the Cadomin “A” pool.

The attached GEP scheme Approvals are 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 without regard for normal spacing and target restrictions, for maximization of gas recovery.

<u>Approval Number</u>	<u>Name</u>
06-06-070	Avenir Project # 1
06-06-071	Avenir Project # 2

One of the areas included in the original application was withdrawn, as per your letter dated June 20, 2006. Issuance of these approvals was delayed pending the recent submission of letters of consent from registered lease owners within the application areas.

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

Sincerely,

Doug McKenzie
Director
Resource Conservation Branch

Attachments

RESOURCE CONSERVATION BRANCH

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

Headquarters: #200, 10003 110th Ave, Fort St. John BC V1J 6M7 Tel: (250) 261-5729 Fax: (250) 261-5744 www.ogc.gov.bc.ca

APPROVAL 06-06-070

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 Avenir Operating Corp. (Avenir) for producing a portion of the Deep Basin field Cadomin "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 Avenir for drilling wells without spacing and target restrictions, as such scheme is described in

an Application from Avenir to the Commission dated May 17, 2006 and related submissions.

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

1. The area of the project shall consist of:
93-P-08 Block C – units 76, 77, 86 and 87.
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.



Doug McKenzie
Director
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 6th day of December 2006.

APPROVAL 06-06-071

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

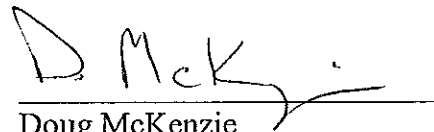
IN THE MATTER of a Good Engineering Practice (GEP) scheme of Avenir Operating Corp. (Avenir) for producing a portion of the Deep Basin field Cadomin "A" gas pool without well spacing and target restrictions.

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

an Application from Avenir to the Commission dated May 17, 2006 and related submissions.

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

1. The area of the project shall consist of:
93-P-08 Block F – units 34, 35, 44 and 45.
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.



Doug McKenzie
Director
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 6th day of December 2006.