



July 17, 2009

9030-2800-59240-06

Chad Thompson, C.E.T.
Exploitation Technologist
Avenir Operating Corp.
200, 116 – 8th Avenue S.W.
Calgary AB T2P 1B3

Dear Mr. Thompson:

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

Commission staff have reviewed your application, dated June 17, 2009, requesting Good Engineering Practice (GEP) approval for producing gas from the Cadomin formation in the Noel and Kelly fields.

The area of application is within the designated Deep Basin – Cadomin “A” gas pool.

Attached are GEP Approvals 09-06-021 (Avenir Project #3), 09-06-022 (Avenir Project #4) and 09-06-023 (Avenir Project #5), 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 Kelly Okuszko at (250) 419-4433.

Sincerely,

A handwritten signature in black ink, appearing to read 'Richard Slocomb'.

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

Attachment

APPROVAL 09-06-023

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 - 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 June 17, 2009 and related submissions.

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

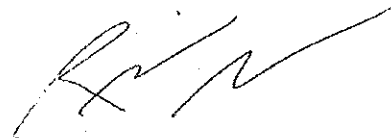
1. The area of the project shall consist of:

93-P-1	Block L – units 18, 19, 28, 29, 38, 39, 48, 49, 60, 70
93-P-2	Block I – units 51-53, 61-63

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.



Richard Slocomb
Supervisor, Reservoir Engineering
Resource Conservation
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 17th day of July 2009.

APPROVAL 09-06-022

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 - 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

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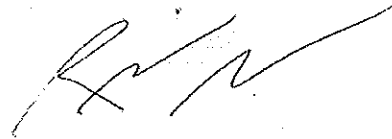
1. The area of the project shall consist of:

93-P-1 Block E – units 51, 61, 72, 73, 82, 83
 Block F – units 60, 70

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.



Richard Slocomb
Supervisor, Reservoir Engineering
Resource Conservation
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 17th day of July 2009.

APPROVAL 09-06-021

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 - 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

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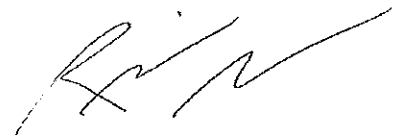
1. The area of the project shall consist of:

93-P-1 Block F – units 32-37, 42-47, 51-57, 61-67, 71-77, 81-87, 91-99
 Block G – units 60, 70, 80, 90, 100
 Block J – unit 10
 Block K – units 1-9

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