



OIL AND GAS COMMISSION

May 2, 2007

3430-2400-59240-06

Terry Stasiuk, P.Eng.
Reservoir Engineering Consultant
Berkana Energy Corp.
Suite 2100, 801 – 6th Avenue
Calgary AB T2P 3W2

Dear Mr. Stasiuk:

**RE: GOOD ENGINEERING PRACTICE APPROVAL
DRAKE - NOTIKEWIN "A" POOL**

The Commission has reviewed your application dated March 15, 2007 requesting a Good Engineering Practice (GEP) scheme approval for producing gas from the Notikewin "A" pool in the Ladyfern field.

Please note that the Commission has mapped the zone of application as the Drake – Notikewin "A" gas pool.

Attached is a GEP scheme approval for a portion of the subject pool. The Approval 07-06-019 is hereby granted under Part 8, Division 6, Section 101 of the British Columbia *Drilling and Production Regulation*.

This approval is intended to allow operational flexibility and to allow the drilling and production of additional gas wells within the GEP area for maximization of gas recovery. No objections were received following a publication of notice of the application in the OGC website.

Should you have any questions, please contact Richard Slocomb (250) 952-0366.

Sincerely,

Doug McKenzie
Director
Resource Conservation Branch

Attachment

RESOURCE CONSERVATION BRANCH

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APPROVAL 07-06-019

**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 Berkana Energy Corp. (Berkana) for producing a portion of the Drake - 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 Berkana for drilling wells without spacing and target restrictions, as such scheme is described in

an Application from Berkana to the Commission dated March 15, 2007.

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

1. The area of the project shall consist of:

94-H-1:

Block J – 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
Resource Conservation Branch

DATED AT the City of Victoria, in the Province of British Columbia, this 2nd day of May 2007.