



OIL AND GAS COMMISSION

October 28, 2008

3450-8200-59240-06

Tom Everest, P.Eng.
Manager, Exploitation
Black Mountain Energy Corporation
700, 602 – 12th Avenue S.W.
Calgary AB T2R 1J3

Dear Mr. Everest:

**RE: GOOD ENGINEERING PRACTICE APPROVAL
EKWAN FIELD – JEAN MARIE FORMATION**

Commission staff have reviewed your application, dated September 19, 2008, requesting Good Engineering Practice (GEP) scheme approval for producing Jean Marie formation gas in the Ekwan area.

The Commission has designated the subject area to be part of the Ekwan – Jean Marie “D” pool.

The attached Approval 08-06-041 is hereby granted under Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*. This approval is intended to allow the production of gas wells without spacing consideration for maximization of gas recovery. No objections were received following publication of the application notice.

Should you have any questions, please contact the undersigned at (250) 952-0366 or Kelly Okuszko at (250) 952-0325.

Sincerely,

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

Attachment

RESOURCE CONSERVATION

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 08-06-041

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 Black Mountain Energy Corporation (BMEC) for producing the Ekwan Jean Marie "D" 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 BMEC for drilling wells without spacing and target restrictions, as such scheme is described in

an Application from BMEC to the Commission dated September 19, 2008.

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

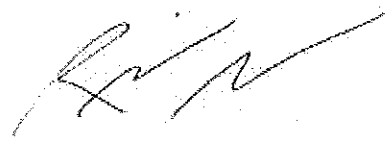
1. The area of the project shall consist of:

94-I-15 Block B – units 14-19, 24-29, 34-39, 44-49, 54-59 and 64-69.

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

DATED AT the City of Victoria, in the Province of British Columbia, this 28th day of October 2008.