

November 30, 2009

8800-8600-59240-06

Bill McKenzie
Vice President Exploration
BLZ Energy Ltd.
1580, 727 – 7th Avenue S.W.
Calgary AB T2P 0Z5

Dear Mr. McKenzie:

**RE: GOOD ENGINEERING PRACTICE APPROVAL
YOYO FIELD – PINE POINT “A” POOL**

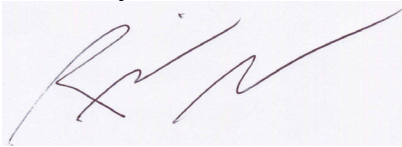
Commission staff have reviewed the application, dated October 20, 2009, requesting Good Engineering Practice (GEP) scheme approval for producing gas from a portion of the Yoyo field Pine Point “A” pool.

Initial production from the subject pool commenced in 1968. With 1.548 Tcf of gas produced to-date, production is now at a mature stage. GEP approval will allow the targeting of features to access gas that may not otherwise be produced from existing wells.

Attached is Approval 09-06-034, granted under Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*. This approval is intended to allow the drilling and production of gas wells within the GEP area for maximization of gas recovery.

Should you have any questions, please contact Ron Stefik at (250) 491-4430.

Sincerely,



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

Attachment

APPROVAL 09-06-034

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

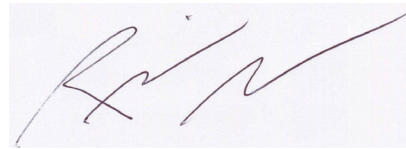
IN THE MATTER of a Good Engineering Practice (GEP) scheme of BLZ Energy Ltd. (BLZ) for producing a portion of the Yoyo – Pine Point “A” pool without spacing and target restrictions.

NOW, THEREFORE, the Commission, pursuant to Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*, hereby approves the GEP scheme of BLZ as such scheme is described in

*an Application from BLZ to the Commission dated October 20, 2009,
and related submissions.*

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

1. The area of the scheme shall consist of;
94-I-14 Block L – units 36, 37, 47 and 47.
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 30th day of November 2009.