

December 12, 2005

2400/7600-2600-59240-06 OGC - 05351

Ann Green
Engineering Technologist
Bonavista Petroleum Ltd.
700, 311 – 6th Avenue SW
Calgary AB T2P 3H2

Dear Ms. Green:

RE: GOOD ENGINEERING PRACTICE APPROVAL, AMENDMENT #4
BUICK CREEK BLUESKY "C" & RIGEL BLUESKY "D" POOLS

Attached is a Good Engineering Practice (GEP) scheme approval amendment for the subject pools, as requested in your application of November 28, 2005.

The Approval 97-06-007 (Amendment #4) is hereby granted under Part 8, Division 6, Section 101 of the British Columbia *Drilling and Production Regulation*. Please note that this applies to production from the Buick Creek - Bluesky "C" and Rigel - Bluesky "D" gas pools. This amendment expands the approval area to include one additional gas spacing area (section 21-88-18 W6M).

The approval is intended to allow operational flexibility and to allow the drilling of additional gas wells without spacing and target considerations for maximization of gas recovery from these mature pools.

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

Sincerely, Approval Letters to Industry GEP, SWD, Concurrent Prod, Pressure Maintenance, Waterflood, Etc. Richard Slocomb, P. Eng. Copy 11 Acting Director J. Pickell Daily Resource Conservation Branch D. Krezanoski Wellfile L. Miller 59240 Resource Rev. R. Slocomb Attachment S. Chicorelli R. Stefik G. Farr

APPROVAL 97-06-007 (Amendment #4)

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 Bonavista Petroleum Ltd. (Bonavista) for producing Buick Creek Bluesky "C" and Rigel Bluesky "D" gas wells 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 an amendment to the GEP scheme for drilling wells without spacing and target restrictions, as such scheme is described in

an Application from Bonavista to the Commission dated November 28, 2005.

The scheme approval of July 5, 2004 is hereby amended subject to the conditions herein contained and, in particular:

1. The area of the scheme shall consist of:

Township 88 Range 16 - section 30

Township 88 Range 17 - sections 4, 5, 8, 9, 16, 17, 19-30 and fractional sections 31-36

Township 88 Range 18 - sections 21-27 and fractional sections 32-36

94-A-10/Block I - fractional units 16-20 and units 26-30, 32-40, 42-50, 56-60, 66-70, 78, 79, 88 and 89

Block J - fractional units 11-20 and units 21-70, 72-80, 82-90 and 100

Block K - fractional units 11-17 and units 21-27, 31-35, 41-45, 51-53, 61-63, 71. 72, 81, 82 and 91

94-A-15/Block B - units 10, 18-20, 28-30, 40 and 50

Block C - units 1, 11-13, 21-23, 31 and 41.

- 2. The requirements of Section 10 of the Drilling and Production Regulation are hereby waived, provided that gas wells within the scheme area are not completed nearer than 250 m to the sides of the approved area.
- 3. The gas wells within the scheme 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 Acting Director

Resource Conservation Branch

Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 2 day of December 2005.