



OIL AND GAS COMMISSION

November 20, 2006

3540-4805-59240-06

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

Bonavista Project (02)

Dear Ms. Green:

**RE: GOOD ENGINEERING PRACTICE APPROVAL  
FIREWEED – LOWER HALFWAY “B” POOL**

Commission staff have reviewed the application by Bonavista Petroleum Ltd. (Bonavista), dated July 27, 2006, and subsequent submissions, requesting Good Engineering Practice (GEP) scheme approval for producing gas from the Doig formation in the Fireweed area.

The area of application has been mapped by the Commission as the Fireweed field – Lower Halfway “B” pool. Attached is GEP scheme Approval 06-06-064, hereby 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 without spacing consideration for maximization of reserves recovery, however maintaining normal 250 m target area setbacks within each gas spacing area to protect internal equity concerns.

An objection to approval of this application, dated August 28, 2006, was filed by Canadian Natural Resources Limited (CNRL), who operates oil wells directly to the north in the same formation, mapped as the Fireweed – Lower Halfway “A” pool. Bonavista has supplied information that supports an interpretation of the Lower Halfway “B” as a separate non-associated gas pool under the area of application.

However, should this interpretation change, based on future test and performance information, with potential negative implications for oil recovery, some or all of the gas wells within this GEP approval area may be subject to production controls.

Should you have any questions, please contact Ron Stefik at (250) 952-0310.

Sincerely,

Doug McKenzie  
Director  
Resource Conservation Branch

Attachment

cc: David Sanderson, CNRL

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**RESOURCE CONSERVATION BRANCH**

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APPROVAL 06-06-064

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

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IN THE MATTER of a Good Engineering Practice (GEP) scheme of Bonavista Petroleum Ltd. (Bonavista) for producing the Fireweed – Lower Halfway “B” gas pool without spacing or 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 Bonavista as such scheme is described in

*an Application from Bonavista to the Commission dated July 27, 2006 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-A-13:

Block A – units 74-77, 84-87, 91-93

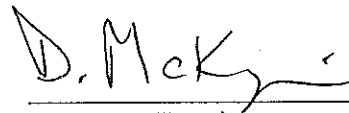
Block H – units 1-3, 11, 21

94-A-14:

Block D – unit 100

Block E – units 10, 20 and 30.

2. The spacing requirement of Section 10(1) of the *Drilling and Production Regulation* is hereby waived, however normal target area and penalty provisions under Sections 10(2) to 10(7) remain unchanged for gas wells within the 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 20th day of November 2006.