



OIL AND GAS COMMISSION

February 27, 2006

5600-4540-59240-06
OGC -06072

Ryan Chong
Vice President, Production
Crew Energy Inc.
1920, 205 - 5th Avenue SW
Calgary AB T2P 2V7

Dear Mr. Chong:

**RE: GOOD ENGINEERING PRACTICE WITH CONCURRENT PRODUCTION
LAPRISE CREEK - COPLIN "B" POOL**

The Commission has reviewed your letter dated February 8, 2006 requesting that a decision be made for an appropriate depletion strategy for the subject pool. Your application of October 25, 2005 requested a Good Engineering Practice (GEP) scheme approval with concurrent production for producing oil and gas from the subject pool.

Crew Energy Inc. and their partner (E4 Energy Inc.) are of the opinion that a concurrent production with good engineering practice is the most efficient depletion strategy and that ultimate recovery will not be jeopardized. Additionally, based on a simulation study performed on behalf of Crew/E4, pressure maintenance scheme by waterflooding would not yield incremental oil to justify the estimated facility costs.

The Commission met with Northpine Energy Ltd. staff on February 21, 2006. At this meeting performance of the Laprise Coplin "B" pool and the performance from other analogous pools was reviewed.

The Commission, having reviewed all the technical data, still feels that the existing GEP with gas-oil ratio penalty is appropriate at this time. It is worth noting that the granting of a GEP allows operational flexibility to the operator whereby oil production can be maximized by producing wells with lower GOR's. It is too early in the pool's life to allow for concurrent production approval. Additional performance and pressure information from the pool is necessary to decide on a proper depletion strategy

Sincerely,

Richard Slocomb, P. Eng.
A/ Director
Resource Conservation Branch

Cc: Graham Cormack, E4 Energy Inc.
Kerry Rawson, Northpine Energy Ltd.

Approval Letters to Industry
GEP, SWD, Concurrent Prod, Pressure
Maintenance, Waterflood, Etc.

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