

July 5, 2010

9021-5000-59240-06

Christine Mercier, P.Eng
Exploitation Engineer
Crew Energy Inc.
1400, 425 – 1st Street S.W.
Calgary AB T2P 3L8

Dear Ms. Mercier:

**RE: GOOD ENGINEERING PRACTICE APPROVAL, AMENDMENT #4
HERITAGE – MONTNEY “A” POOL**

Commission staff have reviewed the application, dated June 28, 2010, requesting an amendment to the Good Engineering Practice (GEP) scheme approval for producing gas from a portion of the Heritage regional field Montney “A” pool.

Attached is Approval 08-06-013 (Crew Project #2) Amendment #4, granted under Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*. This amendment enlarges the gas target area for certain portions of the GEP to within 150 meters of the boundaries of the approval area, to accommodate extended horizontal drilling. All other conditions remain unchanged. GEP approval is intended to allow the drilling and production of gas wells without regard for spacing and target restrictions for maximization of gas recovery.

Should you have any questions, please contact Ron Stefik at (250) 419-4430.

Sincerely,



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

Attachment

APPROVAL 08-06-013 (Amendment #4)

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

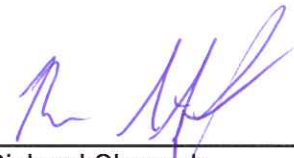
IN THE MATTER of a Good Engineering Practice (GEP) scheme of Crew Energy Inc. (Crew) for producing gas from a portion of the regional Heritage – Montney “A” pool without spacing and target restrictions.

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

an Application from Crew to the Commission dated April 28, 2008, November 17, 2008, February 24, 2009, February 8, 2010, June 28, 2010 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;
 - Twp 81 Rge 20 W6M – Sect 33, 34
 - Twp 82 Rge 19 W6M – Sect 6, 7, 18, 31, 33
 - Twp 82 Rge 20 W6M – Sect 3, 4, 10-13, 24, 26, 28, 33-35
 - Twp 83 Rge 19 W6M – Sect 3, 6-9
 - Twp 83 Rge 20 W6M – Sect 1 and 2.
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, except for;
 - 150 m to the east boundary of sect 34-81-20
 - 150 m to the east boundary of sect 6 and 7-82-19
 - 150 m to the south and west boundary of sect 6-82-19
 - 150 m to the east boundary of sect 3-82-20
 - 150 m to the south boundary of sect 11 and 12-82-20.
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.

FOR 
Richard Slocomb
Supervisor, Reservoir Engineering
Resource Conservation
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 5th day of July 2010.