

November 10, 2004

5480-8600-59240-06
OGC – 04320

Marg Fraser, C.E.T.
NEBC Exploitation Department
Devon Canada Corporation
2000, 400 – 3rd Avenue S.W.
Calgary AB T2P 4H2

Dear Ms. Fraser:

**RE: GOOD ENGINEERING PRACTICE APPROVAL
KYKLO – PINE POINT “B” POOL**

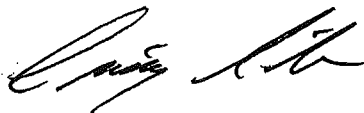
The Commission has reviewed your application dated September 28, 2004, requesting Good Engineering Project (GEP) scheme approval for producing gas from the Kyklo – Pine Point “B” pool.

Attached is Approvals 04-06-063, granted under Part 8, Division 6, Section 101 of the British Columbia *Drilling and Production Regulation*. This approval is intended to allow operational flexibility to produce gas wells without spacing considerations for maximization of gas recovery. Increased well density should allow flexibility in production operations to mitigate possible water coning that would more likely result from a single high drawdown point.

The well Devon Kyklo c-39-A/94-I-14 (WA 14545), off-target for gas production to an adjacent Drilling Licence, remains subject to an off-target penalty and individual well daily gas allowable.

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

Sincerely,



Craig Gibson, P. Eng.
Director
Resource Conservation Branch

Attachment

Approval Letters to Industry
GEP, SWD, CONCURRENT PROD,
PRESSURE MAINTENANCE,
WATERFLOOD, ETC.

Copy 9

<input type="checkbox"/>	Wellfile (originals)
<input type="checkbox"/>	59240
<input type="checkbox"/>	Daily
<input type="checkbox"/>	Resource Revenue
<input type="checkbox"/>	S. Chicorelli
<input checked="" type="checkbox"/>	R. Stefik
<input type="checkbox"/>	G. Farr
<input type="checkbox"/>	R. Slocomb
<input type="checkbox"/>	D. Krezanoski

RESOURCE CONSERVATION BRANCH

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0301
Location: 6th Flr 1810 Blanshard St, Victoria BC

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APPROVAL 04-06-063

**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 Devon Canada Corporation (Devon) for producing Kyklo Pine Point "B" gas wells without spacing and target restrictions.

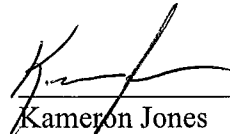
NOW, THEREFORE, the Oil and Gas Commission (Commission), pursuant to Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*, hereby approves the GEP scheme of Devon as such scheme is described in

an Application from Devon to the Commission dated September 28, 2004.

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

1. The area of the project shall consist of:

94-I-14 Block A – units 38, 39, 48 and 49.
2. Project daily gas production is limited to $521.0 \text{ e}^3\text{m}^3$.
3. The off-target well Devon Kyklo c-39-A/94-I-14 (WA# 14545) is subject to an individual well daily gas allowable of $197.0 \text{ e}^3\text{m}^3$.
4. 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 project area.
5. This approval may be modified or rescinded at a later date if deemed appropriate.


Kameron Jones
Deputy Commissioner
Oil and Gas Commission

DATED AT the City of Fort St. John, in the Province of British Columbia, this 5th day of November 2004.