



January 16, 2006

5850-4100-59240-06
OGC - 06012

Jessica Ho
Engineering Intern
NE BC Exploitation Department
Devon Canada Corporation
2000, 400 - 3rd Avenue S.W.
Calgary AB T2P 4H2

Devon Project #1 (02)
Devon Project #2 (03)

Dear Ms. Ho:

**RE: GOOD ENGINEERING PRACTICE APPROVALS
MARTIN - BALDONNEL "A" POOL**

The Commission has reviewed your application dated November 28, 2005 requesting Good Engineering Project (GEP) scheme approval for producing gas from the Baldonnel formation over two areas, one in the Martin, the other in the Wargen field.

Geological review of the area has resulted in extensive re-mapping by the OGC. The former Martin Baldonnel "A", "C", "E", "F" and "K" pools, and the Wargen Baldonnel "A" pool, have all been amalgamated as the Martin Baldonnel "A" gas pool.

Attached is Approval 04-06-036 (Amendment #1), granted under Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*, amending a GEP approval previously granted for the former Martin Baldonnel "E" pool, for the northern area of application. This area will be referenced as Devon Project #1. Approval 06-06-007 (Devon Project #2) is granted for the southern area of application, formerly within the Wargen field.

These approvals are intended to allow operational flexibility and to allow the drilling and production of additional gas wells within the GEP areas for maximization of gas recovery.

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

Sincerely,

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

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

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|--------------------------|------------|--------------------------|---------------|
| <input type="checkbox"/> | Daily | <input type="checkbox"/> | E. O'Neill |
| <input type="checkbox"/> | Wellfile | <input type="checkbox"/> | J. Merson |
| <input type="checkbox"/> | 59240 | <input type="checkbox"/> | D. Krezanoski |
| <input type="checkbox"/> | R. Slocomb | <input type="checkbox"/> | L. Miller |
| <input type="checkbox"/> | R. Stefik | <input type="checkbox"/> | Resource Rev. |
| <input type="checkbox"/> | G. Farr | <input type="checkbox"/> | S. Chicorelli |

Attachment

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

APPROVAL 04-06-036 (Amendment #1)

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

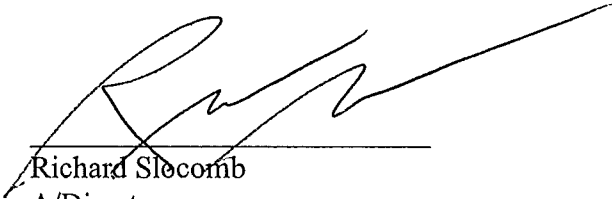
IN THE MATTER of a Good Engineering Practice (GEP) scheme of Devon Canada Corporation (Devon) for producing a portion of the Martin - Baldonnel "A" gas pool without well spacing and target restrictions.

NOW, THEREFORE, the Commission, pursuant to Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*, hereby amends the GEP scheme of Devon, granted for the former Martin Baldonnel "E" pool, for drilling wells without spacing and target restrictions, as such scheme is described in

an Application from Devon to the Commission dated February 20, 2004 and November 28, 2005, and related submissions.

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

1. The area of the project shall consist of:
 - 94-H-6:
 - Block E – units 32-35, 42-45, 51-59, 61-69, 71-77, 81-87, 94, 95
 - Block F – unit 54-60, 64-70, 76-80, 86-90, 98, 99
 - Block K – units 8, 9
 - Block L – units 4 and 5.
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.
3. The gas wells within the project area may be produced without individual well allowable restrictions.
4. Gas wells located within spacing areas directly adjoining producing non-project spacing areas must be restricted to a daily gas allowable of $60.0 \text{ } 10^3 \text{ m}^3$, per spacing area, as per Section 88(7) of the *Regulation*.
5. This approval may be modified or rescinded at a later date if deemed appropriate.


Richard Slocomb
A/Director
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this ^{16th} day of January 2006.

APPROVAL 06-06-007

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 a portion of the Martin - Baldonnel "A" gas pool without well spacing and 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 Devon for drilling wells without spacing and target restrictions, as such scheme is described in

an Application from Devon to the Commission dated November 28, 2005, and related submissions.

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

1. The area of the project shall consist of:

94-H-6:

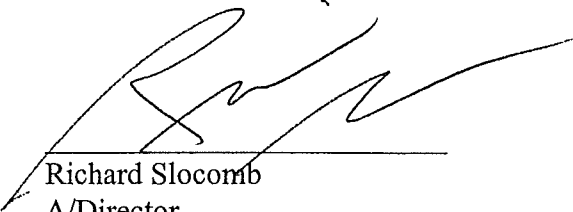
Block C – units 60, 70, 80, 90, 100

Block D – unit 51, 61, 71, 81, 91

Block E – unit 1

Block F – unit 10.

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.
3. The gas wells within the project area may be produced without individual well allowable restrictions.
4. Gas wells located within spacing areas directly adjoining producing non-project spacing areas must be restricted to a daily gas allowable of $60.0 \times 10^3 \text{ m}^3$, per spacing area, as per Section 88(7) of the *Regulation*.
5. This approval may be modified or rescinded at a later date if deemed appropriate.


Richard Slocomb
A/Director
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 16th day of January 2006.

