



April 8, 2004

7250-2400-59240-06  
OGC - 04130

Sara Whelen, C.E.T.  
NE BC Exploitation Department  
Devon Canada Corporation  
1600, 324 - 8<sup>th</sup> Avenue S.W.  
Calgary AB. T2P 2Z5

Devon Project #1 (04)  
Devon Project #2 (05)

Dear Ms. Whelen:

**RE: GOOD ENGINEERING PRACTICE APPROVAL  
PICKELL NOTIKEWIN "A" POOL**

The Commission has reviewed your application dated February 11, 2004 requesting a Good Engineering Practice (GEP) scheme approval for producing gas from the Pickell field Notikewin "A" pool.

Notice of your application was published in the B.C. Gazette with March 11, 2004 being the last date for any objections. The Commission received letters dated March 11 and March 25, 2004 from Relentless Energy Corporation objecting to the GEP scheme. To address the concerns of Relentless, the Commission carried out an extensive technical review of the Notikewin formation in the Pickell area. Based on this review, the Commission maps a single Notikewin "A" pool in the area and not two separate pools as suggested by Relentless. Also, all net pay intervals have been mapped as Notikewin "A" and not as Notikewin and Falher units as proposed by Relentless. Gas wells in the Pickell Notikewin "A" pool have been perforated over the entire interval.

The Commission believes that, for effective resource recovery from the relatively poor quality and low pressure Notikewin formation, at least two wells per section are required. As a result several GEP approvals have been granted for Notikewin gas production within the Drake, Pickell and Velma fields. It should be noted that, to avoid excessive production, a daily gas allowable (DGA) has been assigned to the spacing areas bordering the GEP scheme area.

Attached are two GEP scheme approvals for portions of the subject pool. The Approvals 04-06-033 (Devon Project #1) and 04-06-034 (Devon Project #2) are hereby granted under Part 8, Division 6, Section 101 of the British Columbia *Drilling and Production Regulation*. The approvals are intended to allow operational flexibility and to allow the drilling of additional gas wells without spacing and target considerations for maximization of gas recovery.

Should you have any questions, please contact Peter Attariwala at (250) 952-0311 or Ron Stefik (250) 952-0310.

Sincerely,

Craig Gibson, P. Eng.  
Director  
Resource Conservation Branch

Attachment

Cc: Kevin V.R. MacINNES, P.Eng., (Relentless Energy Corporation)

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

Copy 9

- Wellfile (originals)
- 59240
- Daily
- Resource Revenue
- S. Chicorelli
- R. Stefik
- G. Farr
- P. Attariwala
- 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: 6<sup>th</sup> Flr 1810 Blanshard St, Victoria BC

**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 Devon Canada Corporation (Devon) for producing a portion of the Pickell - Notikewin "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 February 11, 2004.*

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

1. The area of the project shall consist of:

94-H-3:

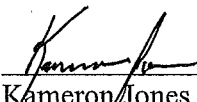
Block G - units 71-73, 81-83, 91

Block H - units 78-80, 88-90, 96-100

Block I - units 6-10

Block J - unit 1

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, except those located within spacing areas directly adjoining producing non-project spacing areas, 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.

  
Kameron Jones  
Deputy Commissioner  
Oil and Gas Commission

DATED AT the City of Fort St. John, in the Province of British Columbia, this 31<sup>st</sup> day of March 2004.

112  
(05)

APPROVAL 04-06-034

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

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1. The area of the project shall consist of:

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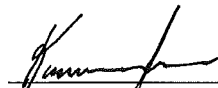
Block I - units 58-60, 68-70, 80, 90

Block J - units 18, 19, 28, 29, 32-37, 42-47, 51-57, 61-67, 71-75, 81-85, 92, 93

94-H-6:

Block B - units 2 and 3.

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, except those located within spacing areas directly adjoining producing non-project spacing areas, 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.



Kameron Jones

Deputy Commissioner

Oil and Gas Commission

DATED AT the City of Fort St. John, in the Province of British Columbia, this 31<sup>st</sup> day of March 2004.