

July 27, 2006 4390-4900-59240-06

Roman Pachovsky, P.Eng. Senior Staff Engineer Duvernay Oil Corp. 1500, 202 – 6th Avenue S.W. Calgary AB T2P 2R9

Dear Mr. Pachovsky:

RE: GOOD ENGINEERING PRACTICE APPROVAL, AMENDMENT #5 GROUNDBIRCH - DOIG "A" POOL

Attached is a Good Engineering Practice (GEP) scheme approval amendment for gas production from the Groundbirch – Doig "A" pool, as requested in your application dated May 31, 2006.

The Approval 03-06-038 (Amendment #5) is hereby granted under Part 8, Division 6, Section 101 of the British Columbia *Drilling and Production Regulation*.

This approval is intended to allow operational flexibility and to allow the drilling and production of additional gas wells without spacing and target considerations for maximization of gas recovery.

As per Section 68 (1) of the <u>Petroleum and Natural Gas Act</u>, due to the split ownership of title between the North and South half of Section 2-79-19 W6M, a pooling agreement between title holders must be registered with the Oil and Gas Titles Branch, Ministry of Energy, Mines and Petroleum Resources prior to commencement of any gas production from this section.

Should you have any questions regarding this approval, please contact Richard Slocomb at (250) 952-0366.

Sincerely,

(for) Doug McKenzie

Director

Resource Conservation Branch

Attachment

APPROVAL 03-06-038 (AMENDMENT #5)

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 Duvernay Oil Corporation (Duvernay) for producing a portion of the Groundbirch – Doig "A" gas pool without spacing, target and production restrictions.

NOW, THEREFORE, the Commission, pursuant to Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*, hereby approves an amendment to the GEP scheme of Duvernay for drilling wells without spacing and target restrictions, as such scheme is described in

an Application from Duvernay to the Commission dated May 31, 2006.

The scheme approval of October 8, 2003, amended April 6, 2004, October 27, 2004, April 4, 2005 and June 8, 2005 is hereby amended, subject to the conditions herein contained and, in particular:

1. The area of the project shall consist of:

T78-R19 W6M: sections 2-4, 9-11, 14-16, 21-23, 26-28, 32-34 T79-R19 W6M: sections 2-4, 9, 10, 15, 16, 19-21 and 28-30.

- 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. This approval may be modified or rescinded at a later date if deemed appropriate.

(for) Doug McKenzie

Director

Resource Conservation Branch

DATED AT the City of Victoria, in the Province of British Columbia, this day of July 2006.