



OIL AND GAS COMMISSION

March 12, 2008

4390-4800-59240-06

R.A. Pachovsky, P. Eng.  
Senior Staff Engineer  
Duvernay Oil Corp.  
1500, 202-6<sup>th</sup> Avenue S.W.  
Calgary AB T2P 2R9

Dear Mr. Pachovsky:

**RE: GOOD ENGINEERING PRACTICE APPROVAL  
GRONDBIRCH – HALFWAY “A” POOL**

The Commission has reviewed your application dated February 13, 2008 requesting a Good Engineering Practice (GEP) scheme approval for producing Halfway formation gas from the Saturn field.

Geological review of the area of application has resulted in OGC mapping of the Groundbirch field – Halfway “A” pool.

Attached is a GEP scheme approval for the subject pool. The Approval 08-06-008 is hereby granted under Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*.

The approval is intended to allow operational flexibility and to allow the drilling of additional gas wells without spacing and target considerations for maximization of gas recovery. Production within the project area is restricted to a daily gas allowable of 60 10<sup>3</sup>m<sup>3</sup> per spacing area to protect against potential offset drainage of non-project lands, until such time as the extent and reservoir quality of the pool is established. No objections were received following posting of notice of the application on the OGC website.

Should you have any questions, please contact the undersigned (250) 952-0366 or Kelly Okuszko at (250) 952-0325.

Sincerely,

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

Attachment

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**RESOURCE CONSERVATION**

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

Headquarters: #200, 10003 110<sup>th</sup> Ave, Fort St. John BC V1J 6M7 Tel: (250) 261-5729 Fax: (250) 261-5744 [www.ogc.gov.bc.ca](http://www.ogc.gov.bc.ca)

**APPROVAL 08-06-008**

**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 Duvernay Oil Corp. (Duvernay) to produce gas from the Groundbirch - Halfway "A" pool without well spacing or 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 Duvernay for drilling wells without spacing and target restrictions, as such scheme is described in

*an Application from Duvernay to the Commission dated February 13, 2008.*

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

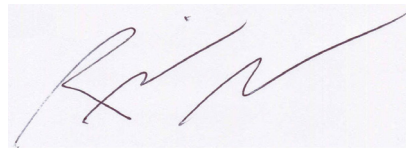
1. The area of the project shall consist of:

Twp 80 Rge 20 W6M Sections 33 and 34,  
Twp 81 Rge 20 W6M Sections 3-5, 8 and 9.

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 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*.

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



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Richard Slocomb  
Supervisor, Reservoir Engineering  
Resource Conservation

DATED AT the City of Victoria, in the Province of British Columbia, this 13<sup>th</sup> day of March 2008.