



OIL AND GAS COMMISSION

November 29, 2007

8130-5000-59240-06

R. A. 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
SUNSET PRAIRIE - MONTNEY “A” POOL

The Commission has reviewed your application dated October 19, 2007 requesting a Good Engineering Practice (GEP) scheme approval for producing gas from the Montney Formation in the Sunset area.

The Commission has designated the area of application to be Sunset Prairie field Montney “A” pool.

The Approval 07-06-041 is hereby granted under Part 8, Division 6, Section 101 of the British Columbia *Drilling and Production Regulation*. No objections were received following a publication of notice of the application in the OGC website.

This approval is intended to allow operational flexibility and to allow the drilling and production of additional gas wells within the GEP area for maximization of gas recovery.

Please note that the approval area contains rights held under Drilling Licenses. Lease selections must be made prior to production from these gas spacing areas.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Slocomb', is written over a light blue rectangular background.

Richard Slocomb, P. Eng.
Supervising Reservoir Engineer
Resource Conservation

Attachment

RESOURCE CONSERVATION

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

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

APPROVAL 07-06-041

**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 Sunset Prairie - Montney "A" pool gas wells 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 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 October 19, 2007.

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

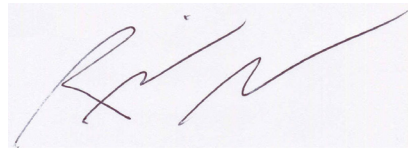
1. The area of the project shall consist of:

TwP79-Rge18 W6M: sections 16, 17, 20 and 21.

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.



Richard Slocomb
Supervising Reservoir Engineer
Resource Conservation

DATED AT the City of Victoria, in the Province of British Columbia, this 29th day of November 2007.