



OIL AND GAS COMMISSION

August 27, 2004

6460-4100-59240-06  
OGC - 04256

David Lui, P.Eng.  
Petroleum Engineering Consultant  
ENCO Gas Ltd.  
1400, 736 - 6<sup>th</sup> Avenue S.W.  
Calgary AB T2P 3T7

ENCO Project (02)

Dear Mr. Lui:

**RE: GOOD ENGINEERING PRACTICE APPROVAL**  
**OAK - BALDONNEL "C" POOL**

The Commission has reviewed your application dated July 6, 2004 requesting a Good Engineering Practice (GEP) scheme approval for producing gas from the Oak Baldonnel formation.

The Commission has mapped the area of application as the Oak - Baldonnel "C" pool.

Attached is GEP scheme Approval 04-06-056, 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 in-fill drilling and production of gas wells without spacing and target considerations for maximization of gas recovery.

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

Sincerely,

Craig Gibson, P. Eng.  
Director  
Resource Conservation Branch

Attachment

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. Attarwala R BLOOMB
- D. Krezanoski

**RESOURCE CONSERVATION BRANCH**

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0301  
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APPROVAL 04-06-056

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 ENCO Gas, Ltd. (ENCO) for producing the Oak Baldonnel "C" gas pool without well 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 ENCO for drilling wells without spacing and target restrictions, as such scheme is described in

*an Application from ENCO to the Commission dated July 6, 2004.*

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

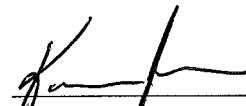
1. The area of the project shall consist of:

Twps 86 Rge 18 W6M - sect 29.

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.

  
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Kameron Jones  
Deputy Commissioner  
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 24<sup>th</sup> day of August 2004.