



OIL AND GAS COMMISSION

December 13, 2006

7900-2700-59240-06

Barry Brathwaite  
Senior Project Technologist  
Fekete Associates Inc.  
2000, 540 – 5 Avenue SW  
Calgary AB T2P 0M2

Dear Mr. Brathwaite:

**RE: GOOD ENGINEERING PRACTICE APPROVAL  
SQUIRREL GETHING “A” POOL**

The Commission has reviewed your application dated October 6, 2006 requesting a Good Engineering Practice (GEP) scheme approval for producing gas from the Squirrel – Gething “A” pool.

Reserves analysis performed by Commission staff on the well A10-28-87-19 W6M (WA# 21272) indicate a very small drainage radius for this well. Additional wells are required to further delineate this pool; however increased drilling density is expected to increase reserves recovery.

Attached is a GEP scheme approval for the subject pool. The Approval 06-06-072 is hereby granted under Part 8, Division 6, Section 101 of the British Columbia *Drilling and Production Regulation*. This approval is intended to allow the production of additional gas wells for maximization of gas recovery.

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

Sincerely,

A handwritten signature in black ink that reads 'D. McKenzie'. The signature is written in a cursive style with a long horizontal flourish extending to the right.

Doug McKenzie  
Director  
Resource Conservation

Attachment

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**RESOURCE CONSERVATION BRANCH**

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**APPROVAL 06-06-072**

**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 Monterey Exploration Ltd. (Monterey) for producing gas from the Squirrel - Gething "A" pool without spacing 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 Monterey as such scheme is described in

*an Application from Monterey to the Commission dated October 6, 2006.*

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

1. The area of the scheme shall consist of section 28-87-19 W6M.
2. The spacing area requirement of Section 10 of the *Drilling and Production Regulation* is hereby waived.
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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Doug McKenzie  
Director  
Resource Conservation Branch

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