



OIL AND GAS COMMISSION

December 15, 2005

4650-2600-59240-09
OGC - 05360

Chris Edwards
Exploitation Engineer
Hay River Area
Harvest Operations Corp.
2100, 330 - 5th Avenue SW,
CALGARY AB T2P 0L4

Dear Mr. Edwards:

**RE: APPLICATION FOR GOOD ENGINEERING PRACTICE, AMENDMENT
HAY RIVER BLUESKY "A" POOL GASCAP**

The Commission has reviewed your application, dated October 4, 2005, requesting an amendment to the Good Engineering Practice (GEP) scheme approval for the subject pool.

The approval, granted September 27, 1999, allows for the production of gascap and solution gas for on-site power generation, up to a maximum of 60 10³ m³/d. Harvest plans on expanding their current facility and anticipates additional power requirements, necessitating an increase to 90 10³ m³/d. However, Harvest is exploring alternate power generation sources and expects this to be a short-term solution.

Review of pool production data and gas oil ratios indicates that the area operated by Harvest produces upwards of 95 10³ m³/d of gas while maintaining an average producing GOR of 112 m³/m³, which is well below the GOR penalty ratio of 177 m³/m³. Historically gascap gas has only been required during plant start up and is not expected to have any effect on reserve recovery. Therefore the Approval 99-06-011 (Amendment #1) is hereby granted under Part 8, Division 6, section 104 of the *British Columbia Drilling and Production Regulation*.

Sincerely,

Richard Slocomb, P. Eng.
A/ Director
Resource Conservation Branch

Attachments

Approval Letters to Industry
GEP, SWD, Concurrent Prod, Pressure
Maintenance, Waterflood, Etc.

Copy 11

<input type="checkbox"/>	Daily	<input type="checkbox"/>	J. Pickell
<input type="checkbox"/>	Wellfile	<input type="checkbox"/>	D. Krezanoski
<input type="checkbox"/>	59240	<input type="checkbox"/>	L. Miller
<input type="checkbox"/>	R. Slocomb	<input type="checkbox"/>	Resource Rev.
<input type="checkbox"/>	R. Stefik	<input type="checkbox"/>	S. Chicorelli
<input type="checkbox"/>	G. Farr		

RESOURCE CONSERVATION BRANCH

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 99-06-011 (Amendment #1)

**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 Harvest Operations Corp. (Harvest) for producing the Hay River Bluesky "A" pool gas cap with a project allowable.

NOW, THEREFORE, the Oil and Gas Commission (Commission), pursuant to Part 8, Division 6, section 101 of the *Drilling and Production Regulation*, hereby approves an amendment to the GEP scheme of Harvest for gas cap production with a project allowable, as such scheme is described in

an Application from Harvest to the Commission dated October 4, 2005.

The scheme approval dated September 27, 1999 is hereby amended, subject to the conditions herein contained and, in particular:

1. The area of the project shall consist of:

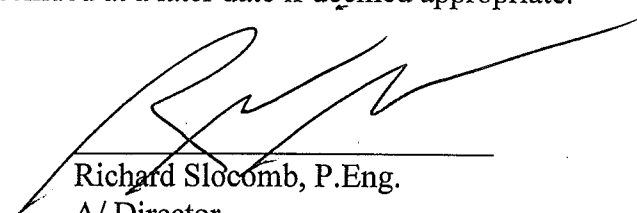
NTS 94-I-9: Block G units 91

Block H units 76-79, 86-89, 92-100

Block I units 2-10, 12-20, 22-30, 32-37, 42-47

Block J units 1, 11, 21

2. The project gas allowable (gas cap + solution gas) is $90 \times 10^3 \text{ m}^3/\text{d}$.
3. The requirements of section 10 of the Drilling and Production regulation are hereby waived, provided that gas cap wells within the scheme area are not completed nearer than 250 m to the sides of the approved area.
4. All produced gas must be conserved and used as fuel for power generation.
5. The approval may be modified or rescinded at a later date if deemed appropriate.



Richard Slocomb, P.Eng.
A/ Director
Resource Conservation Branch

DATED AT the City of Victoria, in the Province of British Columbia, this 15th day of December, 2005.