



OIL AND GAS COMMISSION

September 30, 2004

7020-8200-59240-06

OGC - 04283

Ron Salt, P.Eng, MBA
Management and Engineering Consultant
High Point Resources Inc.
Bow Valley Square III
1400, 255 - 5th Avenue S.W.
Calgary AB T2P 3G6

NOW PART OF HELMET FIELD

Dear Mr. Salt:

**RE: GOOD ENGINEERING PRACTICE APPROVALS (AMENDMENT #1)
PEGGO-PESH JEAN MARIE "A" POOL**

Attached are two Good Engineering Project (GEP) scheme approval amendments for the subject pool, as requested in your application of September 16, 2004.

The Approvals ^{High Point Project #1(02)} 03-06-15 (Amendment #1) and ^{High Point Project #3(04)} 03-06-037 (Amendment #1) are hereby granted under Part 8, Division 6, Section 101 of the British Columbia *Drilling and Production Regulation*. Please note that only the approval areas have been enlarged, all other conditions remain unchanged.

It is noted that both parcels within the GEP Approval areas are presently held under Drilling Licenses (DL). Please note that Petroleum and Natural Gas Lease selection must be made prior to production.

Sincerely,

Craig Gibson, P. Eng.
Director
Resource Conservation Branch

Attachments

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
- R. Slocomb
- D. Krezanoski

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 03-06-015 (AMENDMENT #1)

**THE PROVINCE OF BRITISH COLUMBIA
PETROLEUM AND NATURAL GAS ACT
DRILLING AND PRODUCTION REGULATION
OIL AND GAS COMMISSION**

High Point Project # 1
(02)

IN THE MATTER of a Good Engineering Practice (GEP) scheme of High Point Resources Inc. (High Point) for producing a portion of the Peggo-Pesh Jean Marie "A" pool gas wells without spacing and target restrictions.

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 High Point for drilling horizontal wells without spacing and target restrictions, as such scheme is described in

an Application from High Point to the Commission dated September 16, 2004.

The scheme approval of May 9, 2003, is hereby amended subject to the conditions herein contained and, in particular:

1. The area of the project shall consist of

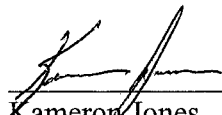
94-P-2 Block K – units 76-79, 86-89, 96-100
 Block L – units 91-95

94-P-7 Block C – units 6-10, 14-17, 20, 24-27, 30, 34-37, 40, 44-47, 50, 56, 57, 60,
 66, 67, 70, 78-80, 88-90, 100
 Block D – units 1-5, 11-15, 21-25, 31, 41, 51, 61, 71, 81, 91
 Block E – unit 1
 Block F – unit 10

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.



Kameron Jones
Deputy Commissioner
Oil and Gas Commission

DATED AT the City of Fort St John, in the Province of British Columbia, this 24th day of September 2004.

APPROVAL 03-06-037 (AMENDMENT #1)

**THE PROVINCE OF BRITISH COLUMBIA
PETROLEUM AND NATURAL GAS ACT
DRILLING AND PRODUCTION REGULATION
OIL AND GAS COMMISSION**

High Point Project # 3 (04)

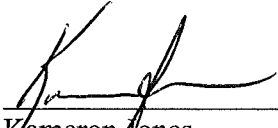
IN THE MATTER of a Good Engineering Practice (GEP) scheme of High Point Resources Inc. (High Point) for producing a portion of the Peggo-Pesh Jean Marie "A" pool gas wells without spacing and target restrictions.

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 High Point for drilling horizontal wells without spacing and target restrictions, as such scheme is described in

an Application from High Point to the Commission dated September 16, 2004.

The scheme approval of September 30, 2003, is hereby amended subject to the conditions herein contained and, in particular:

1. The area of the project shall consist of
 - 94-P-2: Block L – units 58, 59, 68, 69, 78, 79, 88, 89, 96-99
 - 94-P-6: Block A – units 12-17, 22-27, 31-39, 41-49, 51-59, 61-69, 76-79, 86-89
 - 94-P-7: Block D – units 6-9, 16-19, 26-29, 38-40, 48-50, 58-60 and 68-70.
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.


Kameron Jones
Deputy Commissioner
Oil and Gas Commission

DATED AT the City of Fort St John, in the Province of British Columbia, this 24th day of September 2004.