



OIL AND GAS COMMISSION

May 9, 2003

4700-8200-59240-06

OGC - 03108

#1 #2

High Point Project (02) & (03)

John E. Kiss, P.Eng, MBA  
Engineering Manager  
High Point Resources Inc.  
Suite 1400  
255 - 5<sup>th</sup> Avenue S.W.  
Calgary AB T2P 3G6

Dear Mr. Kiss:

**RE: GOOD ENGINEERING PRACTICE APPROVALS  
HELMET JEAN MARIE "A" POOL**

The Commission has reviewed your applications dated March 20, 2003 requesting Good Engineering Project (GEP) scheme approvals for producing gas from the Helmet Jean Marie "A" gas pool.

As the requested area for the GEP consists of two distinct blocks of land within the Helmet Jean Marie "A" pool, two scheme approvals are considered appropriate. Accordingly, attached are Approvals 03-06-015 and 03-06-016 for the applications granted under Part 8, Division 6, Section 101 of the British Columbia *Drilling and Production Regulation*.

These approvals are intended to allow operational flexibility and to allow the drilling of horizontal gas wells without regard for spacing and target regulations for maximization of gas recovery.

It is noted that two parcels, namely 53365 and 53366, within the GEP Approval 03-06-015 area are presently held under Drilling Licenses (DL). Also, the entire area of GEP Approval 03-06-016 is held under DL 47752. Please note that Petroleum and Natural Gas Lease selection must be made prior to production.

Sincerely,

Craig Gibson, P.Eng.  
Manager  
Reservoir Engineering and Geology

Attachments

Approval Letters to Industry  
GEP, SWD, CONCURRENT PROD,  
PRESSURE MAINTENANCE,  
WATERFLOOD, ETC.

Copy 10

- Wellfile (originals)
- 59240
- Daily
- Resource Revenue
- S. Chicorelli
- R. Stefik
- G. Farr
- P. Attariwala
- C. Gibson
- D. Krezanoski

ENGINEERING AND GEOLOGY B

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250

Location: 6<sup>th</sup> Flr 1810 Blanshard St, Victoria BC

APPROVAL 03-06-015

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

#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 Helmet 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 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 March 20, 2003.*

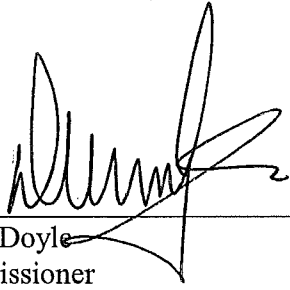
This scheme is approved, subject to the conditions herein contained and, in particular:

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, 66, 67  
                 Block D – units 1-5, 11-15, 21-25, 31 and 41.

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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Derek Doyle  
Commissioner  
Oil and Gas Commission

DATED AT the City of Fort St. John, in the Province of British Columbia, this 9<sup>th</sup> day of May 2003.

## APPROVAL 03-06-016

**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 High Point Resources Inc. (High Point) for producing a portion of the Helmet 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 the GEP scheme of High Point for drilling horizontal wells without spacing and target restrictions, as such scheme is described in

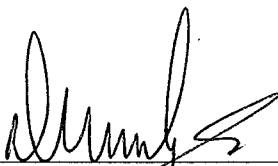
*an Application from High Point to the Commission dated March 20, 2003.*

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

1. The area of the project shall consist of

94-P-7      Block B – unit 100  
                  Block C – units 91-93  
                  Block F – units 1-3, 12-17, 22-27, 32-37, 42-47  
                  Block G – 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.

  
\_\_\_\_\_  
Derek Doyle  
Commissioner  
Oil and Gas Commission

DATED AT the City of Fort St. John, in the Province of British Columbia, this 9<sup>th</sup> day of May 2003.