



September 30, 2003

4700-8200-59240-06
OGC - 03266

John E. Kiss, P.Eng, MBA
Engineering Manager
High Point Resources Inc.
Bow Valley Square III
1400, 255 - 5th Avenue S.W.
Calgary AB T2P 3G6

HIGH POINT PROJECT #3(04)

Dear Mr. Kiss:

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

The Commission has reviewed your application dated March 20 and September 8, 2003 requesting Good Engineering Practice (GEP) scheme approval for producing gas from the Helmet Jean Marie "A" gas pool.

We would like to thank High Point staff for presenting a technical update on August 21, 2003 in support of this application.

Attached is Approval 03-06-037 for the application granted under Part 8, Division 6, Section 101 of the British Columbia *Drilling and Production Regulation*. The approval is 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 some parcels within the GEP Approval 03-06-037 area 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

Attachment

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

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- | | |
|--------------------------|----------------------|
| <input type="checkbox"/> | Wellfile (originals) |
| <input type="checkbox"/> | 59240 |
| <input type="checkbox"/> | Daily |
| <input type="checkbox"/> | Resource Revenue |
| <input type="checkbox"/> | S. Chicorelli |
| <input type="checkbox"/> | R. Stefik |
| <input type="checkbox"/> | G. Farr |
| <input type="checkbox"/> | P. Attariwala |
| <input type="checkbox"/> | 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

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 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 and September 8, 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 L – units 96-99

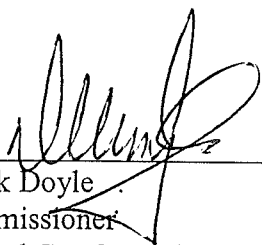
94-P-6: Block A – units 12-17, 22-27, 31-39, 41-49, 51-59, 61-69, 76-79, 86-89

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.



Derek Doyle
Commissioner
Oil and Gas Commission

DATED AT the City of Fort St John, in the Province of British Columbia, this 30th day of September 2003.