



OIL AND GAS COMMISSION

March 31, 2005

5160-8200-59240-06

OGC - 05108

Husky Project (02)

Craig Marshall, EIT
Exploitation Engineer
Husky Oil Operations Limited
707 - 8th Avenue S.W.
Box 6525, Station D
CALGARY, AB T2P 3G7

Dear Mr. Marshall:

**RE: GOOD ENGINEERING PRACTICE APPROVAL
KAHNTAH RIVER - JEAN MARIE FORMATION**

Attached is a Good Engineering Practice (GEP) scheme approval, as requested in your application dated February 25, 2005.

The Approval 05-06-021 is granted under Part 8, Division 6, Section 101 of the British Columbia *Drilling and Production Regulation*.

This approval is intended to allow operational flexibility to drill gas wells without spacing and target considerations for maximization of gas recovery. The well a-A91-A/94-I-03 (WA# 18948), within the approval area, has suspended drilling until the next winter access season. A specific pool designation for this approval will be determined following final rig release and OGC mapping interpretation.

It is noted that some land within the GEP approval area is held under a Drilling Licence. Please note that Petroleum and Natural Gas Lease selections must be made prior to gas production.

Should you have any questions, please contact Ron Stefik at (250 952-0310).

Sincerely,

Craig Gibson, P. Eng.
Director
Resource Conservation Branch

Attachment

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

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APPROVAL 05-06-021

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 Husky Oil Operations Limited (Husky) for producing the Kahntah River – Jean Marie formation without target and 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 Husky as such scheme is described in

an Application from Husky to the Commission dated February 25, 2005 and related submission.

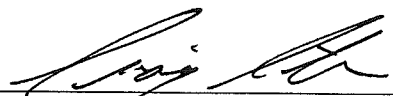
This scheme is approved, subject to the conditions herein contained and, in particular:

1. The area of the scheme shall consist of;

94-I-2 Block D – units 78-80, 88-90, 98-100
Block E – units 8-10

94-I-3 Block A – units 71, 81, 91
Block H – unit 1.

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.



Craig Gibson
Director
Resource Conservation Branch

DATED AT the City of Victoria, in the Province of British Columbia, this 3rd day of March 2005.