



OIL AND GAS COMMISSION

January 18, 2006

5850-2600-59240-06
OGC – 06019

Gord McIntosh, P.Eng.
Ketch Resources Ltd.
Suite 300, 440 – 2 Avenue SW
Calgary AB T2P 5E9

Dear Mr. McIntosh:

**RE: GOOD ENGINEERING PRACTICE APPROVAL
MARTIN – BLUESKY “A” POOL**

The Commission has reviewed the application dated December 9, 2005 requesting a Good Engineering Practice (GEP) scheme approval for producing gas from the subject pool.

Attached is a GEP scheme approval for the subject pool. The Approval 06-06-008 is hereby granted under Part 8, Division 6, Section 101 of the British Columbia *Drilling and Production Regulation*.

This approval is intended to allow operational flexibility and to allow drilling and production of gas wells without spacing considerations for maximization of gas recovery.

If you have any questions please contact the undersigned at (250) 952-0366.

Sincerely,

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

Attachment

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

Copy 12

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|--------------------------|------------|--------------------------|---------------|
| <input type="checkbox"/> | Daily | <input type="checkbox"/> | E. O'Neill |
| <input type="checkbox"/> | Wellfile | <input type="checkbox"/> | J. Merson |
| <input type="checkbox"/> | 59240 | <input type="checkbox"/> | D. Krezanoski |
| <input type="checkbox"/> | R. Slocomb | <input type="checkbox"/> | L. Miller |
| <input type="checkbox"/> | R. Stefik | <input type="checkbox"/> | Resource Rev. |
| <input type="checkbox"/> | G. Farr | <input type="checkbox"/> | S. Chicorelli |

RESOURCE CONSERVATION BRANCH

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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 06-06-008

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 Ketch Resources Ltd. (Ketch) for producing the Martin – Bluesky “A” gas pool without well spacing, target and production 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 Ketch for drilling wells without spacing and target restrictions, as such scheme is described in

an Application from Ketch to the Commission dated December 9, 2005 and related submission.

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

1. The area of the project shall consist of;

94-H-6

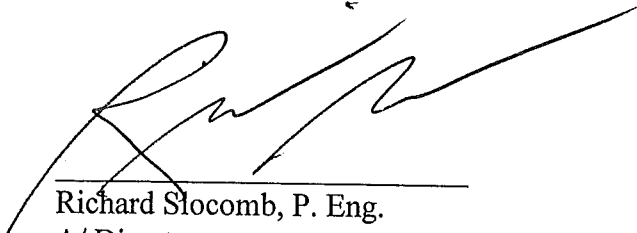
Block D – units 92, 93

Block E – units 2 and 3.

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.



Richard Slocomb, P. Eng.

A/ Director

Resource Conservation Branch

DATED AT the City of Victoria, in the Province of British Columbia, this 18th day of January 2006.