

April 19, 2001

4700-8200-59240-06 OGC-01096

Penn West Proj (03)

Mr. Hali Sobkowich Well Test Technician Penn West Petroleum Ltd. P.O. Box 1450, Station "M" Calgary AB T2P 2L6

Dear Mr. Sobkowich:

RE: GOOD ENGINEERING PRACTICE APPROVAL, AMENDMENT #4 HELMET - JEAN MARIE "F" POOL

The Commission has reviewed your application dated January 23, 2001 requesting an amendment to the Good Engineering Practice scheme approval in the subject pool.

Canadian Natural Resources Limited (CNRL) submitted an objection dated February 9, 2001 in respect to certain lands in the proposed enlargement. However, Penn West and CNRL have mutually agreed to amend the area of enlargement as referenced in the letters from Penn West dated February 26, 2001 and April 9, 2001. Accordingly, CNRL has withdrawn their objection.

Attached is an amendment to the Good Engineering Practice (GEP) scheme approval for a portion of the subject field. The Approval 97-06-008 (Amendment #4) is hereby granted under Part 8, Division 6, section 101 of the British Columbia *Drilling and Production Regulation*.

The approval is intended to allow operational flexibility for drilling wells without spacing and target considerations.

Sincerely,

Craig Gibson, P. Eng.

Manager

Reservoir Engineering and Geology

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

WATERFLOOD, ETC.			
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		D. Krezanoski	

ENGINEERING AND GEOLUGY BRANGE

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0291 Location: 6th FIr 1810 Blanshard St. Victoria BC

APPROVAL 97-06-008 (AMENDMENT # 4)

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 Penn West Petroleum Ltd. (Penn West) for producing gas from the Helmet Jean Marie "F" pool without well spacing and target restrictions.

NOW, THEREFORE, the Commission, pursuant to Part 8, Division 6, section 101 of the *Drilling and Production Regulation*, hereby approves an amendment to the GEP project of Penn West for drilling wells without spacing and target restrictions, as such scheme is described in

an Application from Penn West to the Commission dated September 4, 1997, October 6, 1998, November 29, 1999, March 31, 2000 and January 23, 2001.

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

1. The area of the scheme shall consist of:

94-P-06/Block J — units 36–40, 46–50, 56–60, 66–70, 76–80, 86–90, 98–100
Block K — units 31–35, 41–45, 51–55, 61–65, 71–75, 81–85, 91–95

94-P-10/Block D — units 60, 70, 80, 90, 100
Block E — units 10

94-P-11/Block A — units 34–40, 44–100
Block B — units 8–10, 18–20, 28–30, 31, 38–40, 41, 48–50, 51–77, 81–87, 91–97
Block C — units 1–5, 11, 21, 31, 41, 51, 61
Block F — units 31, 41, 51–55, 61–65, 71–75, 81–85, 91
Block G — units 1–7, 11–19, 21–29, 31–90, 96–100
Block H — units 1–10, 14-20, 24-30, 34–40, 44–50, 54–60, 64–70, 78–80, 88–90

2. The requirements of section 10 of the *Drilling and Production Regulation* are hereby waived, provided that gas wells within the scheme area are not completed nearer than

- 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.

Block J – units 6–10, 16-20, 26-30, 38, 39, 48, 49

Block K - unit 1, 11, 21

250 m to the sides of the approved area.

Craig Gibson Manager

Reservoir Engineering and Geology

DATED AT the City of Victoria, in the Province of British Columbia, this / day of April, 2001.