



OIL AND GAS COMMISSION

July 21, 2005

7250-2400-59240-06
OGC - 05213

Amy Newman, EIT
Petroleum Engineer
Penn West Petroleum Ltd.
P.O. Box 1450, Station "M"
Calgary Alberta T2P 2L6

Penn West Project (08)

Dear Ms. Newman:

**RE: GOOD ENGINEERING PRACTICE APPROVAL, AMENDMENT #1
PICKELL - NOTIKWIN "A" POOL**

Attached is a Good Engineering Project (GEP) scheme approval amendment for a portion of the subject pool, as requested in your application of July 5, 2005

Attached is GEP scheme Approval 04-06-049 (Amendment #1), granted under Part 8, Division 6, Section 101 of the British Columbia *Drilling and Production Regulation*, for a portion of the subject pool. This approval is intended to allow operational flexibility and to allow the production of additional gas wells for maximization of gas recovery. Please note that only project area has been enlarged all other conditions remain unchanged.

Should you have any questions, please contact Richard Slocomb at (250) 952-0366.

Sincerely,

Craig Gibson, P. Eng.
Director
Resource Conservation Branch

Attachment

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

Copy 9

<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"/>	R. Slocomb
<input type="checkbox"/>	D. Krezanoski

RESOURCE CONSERVATION BRANCH

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APPROVAL 04-06-049 (Amendment #1)

**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 a portion of the Pickell Notikewin "A" pool gas 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 the GEP scheme 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 July 5, 2005.

The scheme approval of July 19, 2004, is hereby amended subject to the conditions herein contained and, in particular:

1. The area of the project shall consist of:

- 94-H-2 Block D – units 78-80, 88-90, 96-100
- Block E – units 6-10, 16, 17, 26, 27
- 94-H-3 Block A – units 52-55, 60, 62- 65, 70-95
- Block B – units 51, 61, 71, 81
- Block H – units 1-5, 13, 22 and 23.

- 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, except those located within spacing areas directly adjoining producing non-project spacing areas, may be produced without individual well allowable restrictions.
- 4. Gas wells located within spacing areas directly adjoining producing non-project spacing areas must be restricted to a daily gas allowable of $60.0 \text{ } 10^3 \text{ m}^3$, per spacing area, as per Section 88(7) of the *Drilling and Production Regulation*.
- 5. 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 21st day of July 2005.