



OIL AND GAS COMMISSION

July 23, 2004

7250-2400-59240-06
OGC - 04226

Kevin Muir
Exploitation Engineer
Penn West Petroleum Ltd.
Suite 2000, 425 - First Street SW
Calgary AB T2P 3L8

Penn West Project (08)

Dear Mr. Muir:

**RE: GOOD ENGINEERING PRACTICE APPROVAL
PICKELL - NOTIKWIN "A" POOL**

The Commission has reviewed your application dated June 11, 2004 requesting a Good Engineering Practice (GEP) scheme approval for producing gas from the Firebird field Notikewin formation.

The Commission has designated the gas pool under application to be Pickell - Notikewin "A".

Attached is a GEP scheme approval for a portion of the subject pool. The Approval 04-06-049 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 the drilling of additional gas wells without spacing and target considerations for maximization of gas recovery.

The Commission believes that, for effective resource recovery from the relatively poor quality and low pressure Notikewin formation, more than one well per section is required. As a result several GEP approvals have been granted for Notikewin gas production within the Pickell field. It should be noted that, to avoid excessive production, a daily gas allowable (DGA) has been assigned to the spacing areas bordering the GEP scheme area. Accordingly, a DGA limit has been applied in condition #4 of the approval.

Should you have any questions, please contact Ron Stefik (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
- P. Attariwala
- D. Krezanoski

RESOURCE CONSERVATION BRANCH

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APPROVAL 04-06-049

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 June 11, 2004.

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

1. The area of the project shall consist of:

94-H-2 Block D – units 80, 90, 98-100

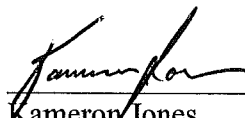
Block E – units 8-10

94-H-3 Block A – units 52, 53, 62, 63, 71-95

Block B – units 71, 81

Block H – units 1-5, 12, 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 $60.0 \times 10^3 \text{ m}^3$, 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.


Kameron Jones
Deputy Commissioner
Oil and Gas Commission

DATED AT the City of Fort St. John, in the Province of British Columbia, this 19th day of July 2004.