

September 30, 2009

9021-5000-59240-06

Dallas Manning
Petrobank Energy and Resources Ltd.
1900, 111 5th Avenue S.W.
Calgary, Alberta T2P 3Y6

Dear Mr. Manning:

**RE: GOOD ENGINEERING PRACTICE APPROVAL
HERITAGE – MONTNEY “A” POOL**

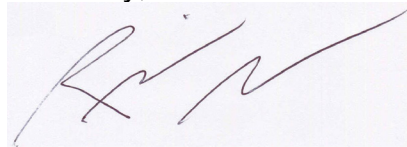
Commission staff have reviewed your application, dated July 7, 2009, requesting Good Engineering Practice (GEP) approval for producing Montney gas in the Heritage area. The area of application has been designated as part of the regional Heritage – Montney ‘A’ pool by the Commission.

Attached is GEP Approval 09-06-033 (Petrobank Project #1), hereby granted under Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*. Gas target buffer distances have been reduced to 150 meters for multiple section boundaries, based on documentation of consent from off-setting rights owners, to allow the drilling and production of gas wells within the GEP area for maximization of gas recovery.

No objections were received following public notice of the application on the OGC website.

Should you have any questions, please contact the undersigned at (250) 419-4421 or Travis Mercure at (250) 419-4448.

Sincerely,



Richard Slocomb, P.Eng.
Supervisor, Reservoir Engineering
Resource Conservation

Attachment

Cc: Barry Brathwaite, Fekete Associates Inc.

APPROVAL 09-06-033

**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 Petrobank Energy and Resources Ltd. (Petrobank) for producing gas from a portion of the Heritage - Montney "A" pool without 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 Petrobank as such scheme is described in

an Application from Fekete, on behalf of Petrobank, to the Commission dated July 7, 2009 and related submissions.

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

1. The area of the scheme shall consist of;

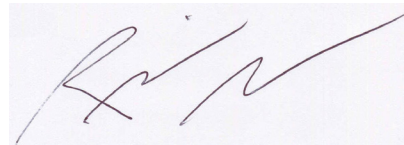
Twp 82 Rge 19 W6M - Sections 19, 20, 29, 30, 32
Twp 82 Rge 20 W6M - Sections 9, 14, 15, 22, 23, 25, 36
Twp 83 Rge 19 W6M - Sections 4, 5.

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 250 m to sides of the approved project area, except for 150 m to the:

east side of sections 20 and 29-82-19W6
north side of section 36-82-20W6
north side of section 4-83-19W6
north and west sides of section 5-83-19W6

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
Supervisor, Reservoir Engineering
Resource Conservation
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 30th day of September 2009.