

September 4, 2003

Joseph Cheung, P. Eng.
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Petro-Canada Oil and Gas
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800-4800-59240-06 OGC - 03242

Halfway "A" Petro-Can Project (02) Halfway "B" Petro-Can Project (02)

Dear Mr. Cheung:

RE: GOOD ENGINEERING PRACTICE APPROVAL AMENDMENT #1
BEG HALFWAY "A" AND "B" POOLS

Attached is an amendment to the Good Engineering Practice (GEP) scheme approval for a portion of the Beg Halfway "A" pool and Beg Halfway "B" pool.

Following an application from Canadian Natural Resources Limited (CNRL) dated July 15, 2003 requesting an amendment to the GEP approval within a portion of the Beg Halfway "A" pool, a technical review was carried out for the subject pool. Based on this review, it was observed that the GEP approval of August 28 1969 granted to Pacific Petroleum Ltd., now Petro-Canada, covers some lands that are presently held by CNRL. These lands are located within Block B/94-G-1. Notice of CNRL's application of July 15, 2003 for a GEP amendment was published in the BC Gazette of July 24 and 31, 2003. No objections were received from any interested party.

Therefore, Petro-Canada's approval of August 28, 1969 is hereby amended to reflect current land ownership. Attached is Approval 69-06-008 (Amendment #1), granted to Petro-Canada under Part 8, Division 6, Section 101 of the British Columbia *Drilling and Production Regulation*. All wells within the area covered by this GEP amendment are operated by Petro-Canada.

Also, attached is a copy of the GEP Approval 01-06-001 (Amendment #1) for CNRL operated lands within the Beg Halfway "A" pool.

Should you have any questions, please contact Peter Attariwala at (250) 952-0311 or Ron Stefik at 952-0310.

Sincerely,

Craig Gibson, P. Eng.

Manager

Reservoir Engineering and Geology

Attachments

## **APPROVAL 69-06-008 (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 Petro-Canada Oil and Gas (Petro-Canada) for producing a portion of the Beg Halfway "A" pool and Beg Halfway "B" 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 an amendment to the GEP scheme for drilling wells without spacing and target restrictions.

This scheme approval of August 28, 1969 is hereby amended, subject to the conditions herein contained and, in particular:

1. The area of the project shall consist of:

94-G-1 Block B - units 78, 79, 88, 89, 98-100

Block C – unit 91

Block F - units 1, 11-13, 21-23, 31-33, 41-43, 52-55, 62-65, 72-75, 82-85, 94-97

Block G - units 8-10, 18-20, 28-30, 40, 50

Block K - units 4-7, 16-19, 26-29, 36-40, 46-50, 58-60, 68-70, 80, 90

Block L - units 31, 41, 51, 61, 71 and 81

- 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.

Derek Doyle

Commissioner

Oil and Gas Commission

DATED AT the City of Fort St John in the Province of British Columbia, this 28 day of August 2003.