



September 4, 2008

5200-4500-59240-06

S. Aidan Campbell, P.Eng.
Reservoir Engineer
Petro-Canada Oil and Gas
P.O. Box 2844
Calgary AB T2P 3E3

Dear Mr. Campbell:

**RE: GOOD ENGINEERING PRACTICE APPROVAL
KOBES - CHARLIE LAKE "C"**

Commission staff have reviewed your application, dated July 7, 2008, requesting Good Engineering Practice (GEP) scheme approval for producing Charlie Lake formation gas in the Kobes area.

The Commission has historically designated all members of the Charlie Lake formation in the Kobes field as a single zone for the purposes of production reporting, well spacing and target areas. The wells within the subject area have been assigned to the Kobes – Charlie Lake “C” pool. The well PC Kobes a-099-A/094-B-09 (WA# 00314) has been producing from the Charlie Lake since January, 1961 and has produced 80.4 10⁶m³ of gas to date. A re-entry is proposed for well PC Kobes b-098-A/094-B-09 (WA# 18174), in the same gas spacing area, to complete additional prospective pay intervals within the Charlie Lake formation.

The attached Approval 08-06-024 is hereby granted under Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*. This approval is intended to allow the production of gas wells without spacing consideration for maximization of gas recovery. No objections were received during the posting of this application to the OGC website.

Should you have any questions, please contact the undersigned at (250) 952-0366 or Kelly Okuszko at (250) 952-0325.

Sincerely,

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

Attachment

RESOURCE CONSERVATION

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0301
Location: 6th Flr 1810 Blanshard St, Victoria BC

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APPROVAL 08-06-024

**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 Kobes - Charlie Lake "C" gas 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 the GEP scheme of Petro-Canada for drilling wells without spacing and target restrictions, as such scheme is described in

an Application from Petro-Canada to the Commission dated July 7, 2008.

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

1. The area of the project shall consist of:

94-B-9: Block A – units 98, 99
Block H – units 8, 9

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.



Richard Slocomb
Supervisor, Reservoir Engineering
Resource Conservation

DATED AT the City of Victoria, in the Province of British Columbia, this 4th day of September 2008.