



OIL AND GAS COMMISSION

November 21, 2006

5200-4500-59240-06

Dale Vardy
Reservoir EIT
Petro-Canada Oil and Gas
P.O. Box 2844
Calgary AB T2P 3E3

Dear Mr. Vardy:

**RE: GOOD ENGINEERING PRACTICE APPROVAL
KOBES – CHARLIE LAKE “D” POOL**

Commission staff have reviewed your application, dated October 11, 2006, 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 well PC Kobes c-A56-A/94-B-9 (WA# 11440) is deemed to be producing from the Kobes – Charlie Lake “D” pool. The well PC Kobes d-57-A/94-B-9 (WA# 2588), last produced in 1986, is proposed for re-entry in the same gas spacing area to complete additional prospective pay intervals within the Charlie Lake formation.

The attached Approval 06-06-066 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.

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

Sincerely,

Doug McKenzie
Director
Resource Conservation Branch

Attachment

RESOURCE CONSERVATION BRANCH

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APPROVAL 06-06-066

**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 field Charlie Lake "D" gas pool without well spacing and target restrictions.

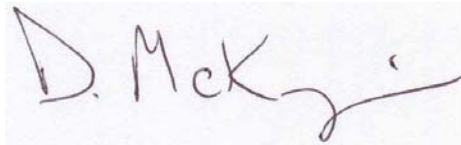
NOW, THEREFORE, the Commission, pursuant to Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*, hereby approves the GEP scheme of Petro-Canada for drilling wells without spacing and target restrictions, as such scheme is described in

an Application from Petro-Canada to the Commission dated October 11, 2006 and related submissions.

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 56, 57, 66 and 67.
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.



Doug McKenzie
Director
Resource Conservation Branch

DATED AT the City of Victoria, in the Province of British Columbia, this 21st day of November 2006.