



OIL AND GAS COMMISSION

November 1, 2006

8160-4800-59240-06

Raymond Chow, P.Eng. MBA
Engineering Specialist
Petro-Canada Oil and Gas
P.O. Box 2844
Calgary AB T2P 3E3

Dear Mr. Chow:

**RE: GOOD ENGINEERING PRACTICE APPROVAL
TOWN – HALFWAY “A” POOL**

Commission staff have reviewed your application, dated September 21, 2006, requesting Good Engineering Practice (GEP) scheme approval for producing Halfway formation gas in the West Beg/Town area.

Please note that the Commission designates the area and zone subject of application as the Town field Halfway “A” non-associated gas pool.

The attached Approval 06-06-062 is hereby granted under Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*. This approval is intended to allow the drilling and production of gas wells without spacing and target considerations for maximization of gas recovery.

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

Sincerely,

A handwritten signature in black ink that reads 'D. McKenzie'. The signature is written in a cursive style with a long, sweeping tail on the 'z'.

Doug McKenzie
Director
Resource Conservation Branch

Attachment

RESOURCE CONSERVATION BRANCH

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 06-06-062

**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 Town field Halfway "A" gas pool without well spacing and target restrictions.

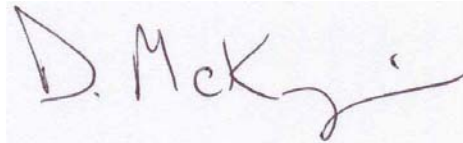
NOW, THEREFORE, the Commission, pursuant to Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*, hereby approves the GEP scheme of Petro-Canada for drilling wells without spacing and target restrictions, as such scheme is described in

an Application from Petro-Canada to the Commission dated September 21, 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-G-1: Block C – units 36, 37, 46 and 47.
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 1st day of November 2006.