

May 17, 2005

4700-8200-59240-06 OGC – 05163

Deanna Burgart, C.E.T. Production Technologist Petrofund Corp. 600, 444 – 7th Avenue S.W. CALGARY AB T2P 0X8 Petro Fund Project (19)

Dear Ms. Burgart:

RE: GOOD ENGINEERING PRACTICE APPROVAL HELMET – JEAN MARIE "A" POOL

The Commission has reviewed your application dated March 28, 2005 requesting a Good Engineering Practice (GEP) scheme approval for producing Jean Marie gas from the Helmet North area.

The OGC has designated the zone of application as a portion of the Helmet – Jean Marie "A" gas pool.

Attached is a GEP scheme approval for the subject pool. The Approval 05-06-024 is hereby granted under Part 8, Division 6, Section 101 of the British Columbia *Drilling and Production Regulation*. This approval is intended to allow operational flexibility and to allow the production of additional gas wells for maximization of gas recovery.

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

Sincerely, Approval Letters to Industry GEP, SWD, CONCURRENT PROD, PRESSURE MAINTENANCE, Craig Gibson, P. Eng. WATERFLOOD, ETC. Director Wellfile (originals) Resource Conservation Branch 59240 Daily Resource Revenue Attachment S. Chicorelli R. Stefik G. Farr R. Slocomb D. Krezanoski

APPROVAL 05-06-024

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 Petrofund Corp. (Petrofund) for producing a portion of the Helmet – Jean Marie "A" gas 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 Petrofund as such scheme is described in

an Application from Petrofund to the Commission dated March 28, 2005.

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

1. The area of the scheme shall consist of:

94-P-10 Block G – units 32-37, 42-47, 52-57, 62-67, 76, 77, 86 and 87.

- 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 the sides of the approved scheme 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 This approval may be modified or rescinded at a later date if deemed appropriate.

Craig Gibson

Director

Resource Conservation Branch

Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this

day of May 2005.