



OIL AND GAS COMMISSION

April 27, 2006

0320-2600-59240-06  
OGC - 06168

Max Vorobiev, P.Eng.  
Exploitation Engineer  
ProEx Energy Ltd.  
1400, 440 - 2nd Avenue S.W.  
Calgary AB T2P 5E9

Pro Ex Project (03)

Dear Mr. Vorobiev:

**RE: GOOD ENGINEERING PRACTICE APPROVAL  
ALTARES - BLUESKY "B" POOL**

Commission staff have reviewed your application, dated March 1, 2006, for Good Engineering Practice (GEP) scheme approval for a portion of the subject pool. Additional information was presented to Commission staff during a meeting at our offices on April 6, 2006.

Attached is GEP Approval 06-06-029 hereby granted under Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*.

This approval is intended to allow 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,

Richard Slocomb, P. Eng.  
A/Director  
Resource Conservation Branch

Attachment

**Approval Letters to Industry  
GEP, SWD, Concurrent Prod, Pressure  
Maintenance, Waterflood, Etc.**

Copy 12

Daily  
 Wellfile  
 59240  
 R. Slocomb  
 R. Stefik  
 G. Farr

E. O'Neill  
 J. Merson  
 D. Krezanoski  
 L. Miller  
 Resource Rev.  
 S. Chicorelli

**RESOURCE CONSERVATION BRANCH**

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0301  
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Headquarters: #200, 10003 110<sup>th</sup> Ave, Fort St. John BC V1J 6M7 Tel: (250) 261-5729 Fax: (250) 261-5744 www.ogc.gov.bc.ca

APPROVAL 06-06-029

**THE PROVINCE OF BRITISH COLUMBIA**  
**PETROLEUM AND NATURAL GAS ACT**  
**DRILLING AND PRODUCTION REGULATION**  
**OIL AND GAS COMMISSION**

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IN THE MATTER of a Good Engineering Practice (GEP) scheme of ProEx Energy Ltd. (ProEx) for producing the Altares field Bluesky "B" 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 ProEx for drilling wells without spacing and target restrictions, as such scheme is described in

*an Application from ProEx to the Commission dated March 1, 2006 and related submissions.*

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

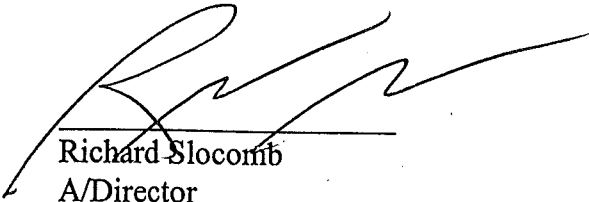
1. The area of the project shall consist of:

94-B-8: Block A – unit 100  
Block B – unit 91  
Block G – units 1, 11, 21  
Block H – units 10, 20, 30

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  
A/Director  
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 27<sup>th</sup> day of April 2006.