



OIL AND GAS COMMISSION

January 26, 2007

1000-4800-59240-06

Cheryl Leitch, C.E.T.
Senior Engineering Technologist
ProEx Energy Ltd.
1200, 205 – 5th Avenue S.W.
Calgary AB T2P 4B9

Dear Ms. Leitch:

**RE: GOOD ENGINEERING PRACTICE APPROVAL, AMENDMENT #1
BEG WEST - HALFWAY "A" POOL**

Commission staff have reviewed the application, dated November 16, 2006 requesting an amendment to the Good Engineering Practice (GEP) scheme approval for the Beg West field Halfway "A" gas pool.

Attached is GEP Approval 06-06-044 (Amendment #1) hereby granted under Section 101 of the *Drilling and Production Regulation*. No objections were received following publication of notice of the amendment application in the BC Gazette. This amendment increases the approval area, adding several gas spacing areas on-trend to the north-west. All other conditions remain unchanged.

This approval is intended to allow production of gas wells without spacing and target area 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 horizontal stroke at the end.

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
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APPROVAL 06-06-044 (AMENDMENT #1)

**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 ProEx Energy Ltd. (ProEx) for producing the Beg West 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 amends 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 May 3, 2006 and November 16, 2006 and related submissions.

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

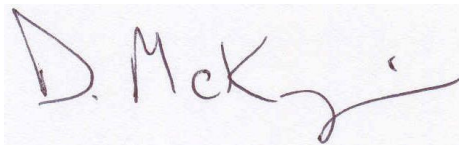
1. The area of the project shall consist of:

94-G-1: Block E – units 71, 81, 91
Block F – units 58, 59, 68, 69, 78-80, 88-90, 98-100
Block K – units 8-10, 20, 30
Block L – units 1, 11-13, 21-23, 32, 33, 42 and 43.

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 26th day of January 2007.