



OIL AND GAS COMMISSION

May 30, 2006

1000-4800-59240-06

Cheryl Leitch, C.E.T.  
Senior Engineering Technologist  
ProEx Energy Ltd.  
1400, 440 - 2nd Avenue S.W.  
Calgary AB T2P 5E9

OIL AND GAS COMMISSION

JUN 01 2006

Dear Ms. Leitch:

**RE: GOOD ENGINEERING PRACTICE APPROVAL**  
**BEG WEST - HALFWAY "B" POOL**

Commission staff have reviewed your application, dated April 24, 2006, requesting Good Engineering Practice (GEP) scheme approval for producing Halfway formation gas in the Beg West field.

OGC mapping recognizes these wells as the Beg West - Halfway "B" non-associated gas pool.

Attached is GEP Approval 06-06-032 hereby granted under Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*. No objections were received following publication of notice of the application in the BC Gazette.

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,

Doug McKenzie  
Director  
Resource Conservation Branch

Attachment

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

Copy 10

- Daily
- Wellfile
- 59240
- R. Slocomb
- R. Stefik

- G. Farr
- D. Krezanoski
- L. Miller
- Resource Rev.
- S. Chicorelli

**RESOURCE CONSERVATION BRANCH**

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APPROVAL 06-06-032

**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 Beg West field Halfway "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 April 24, 2006 and related submissions.*

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

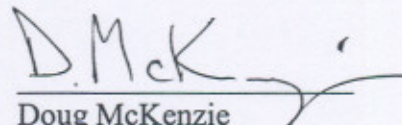
1. The area of the project shall consist of:

94-G-1: Block C – units 72, 73, 82, 83, 92, 93  
Block F – units 2 and 3.

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 31 day of May 2006.