



OIL AND GAS COMMISSION

July 18, 2007

1000-4800-59240-06

Cheryl Leitch, C.E.T.  
Senior Engineering Technologist  
ProEx Energy Ltd.  
1200, 205 – 5<sup>th</sup> Avenue S.W.  
Calgary AB T2P 2V7

Dear Ms. Leitch:

**RE: GOOD ENGINEERING PRACTICE APPROVAL, AMENDMENT #1**  
**BEG WEST – HALFWAY “D” POOL**

Commission staff have reviewed your application, dated June 20, 2007 requesting an amendment to the Good Engineering Practice (GEP) scheme approval for producing a portion of the Beg West field Halfway “D” non-associated gas pool.

The attached Approval 07-06-006 (Amendment #1), ProEx Energy Project #1, is hereby granted under Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*. This amendment incorporates additional gas spacing areas and 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,

Doug McKenzie  
Director  
Resource Conservation Branch

Attachment

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**RESOURCE CONSERVATION BRANCH**

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APPROVAL 07-06-006 (Amendment #1)

**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 "D" 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 December 4, 2006, June 20, 2007 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 32, 33, 42, 43, 52 - 55, 62 - 65, 74, 75, 84 and 85.
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 18<sup>th</sup> day of July 2007.