



OIL AND GAS COMMISSION

October 25, 2007

1200-4800-59240-06

Max Vorobiev, P.Eng.
Sr. Exploitation Engineer
ProEx Energy Ltd.
1200, 205 – 5th Avenue S.W.
Calgary AB T2P 4B9

Dear Mr. Vorobiev:

RE: GOOD ENGINEERING PRACTICE APPROVALS
BERNADET - HALFWAY "D" POOL
BERNADET - HALFWAY "C" POOL (AMENDMENT #1)

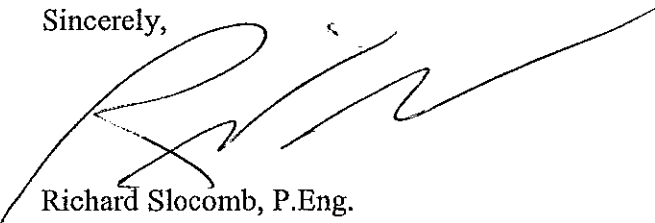
Commission staff have reviewed your application, dated July 9, 2007, for Good Engineering Practice (GEP) for the subject pool. A meeting in Victoria on October 23, 2007 provided additional information in support of this application.

The Approval 07-06-034 is hereby granted under Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*. Wells in this pool have exhibited high condensate-gas ratios, however production and pressure test analysis indicate low permeability and limited drainage areas. This approval is intended to allow the drilling and production of gas wells without spacing and target considerations for maximization of gas and hydrocarbon liquids recovery. No objections were received following publication of notice of the application.

Also attached is Approval 06-06-056 (Amendment #1) for the Bernadet Halfway "C" pool. Re-mapping by OGC staff has resulted in amalgamation of the former Halfway "B" pool. Therefore Approval 06-06-055 (Halfway "B") is hereby rescinded and the area included within the amended Approval.

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

Sincerely,



Richard Slocomb, P.Eng.
Supervisor, Reservoir Engineering
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

Location: 6th Flr 1810 Blanshard St, Victoria BC

Headquarters: #200, 10003 110th Ave, Fort St. John BC V1J 6M7 Tel: (250) 261-5729 Fax: (250) 261-5744 www.ogc.gov.bc.ca

APPROVAL 07-06-034

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

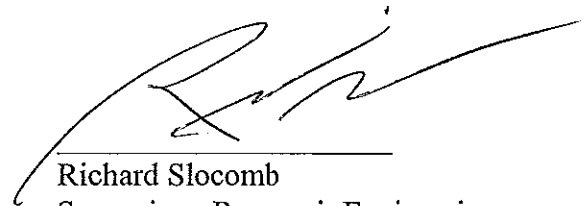
IN THE MATTER of a Good Engineering Practice (GEP) scheme of ProEx Energy Ltd. (ProEx) for producing the Bernadet field Halfway "D" gas pool without well spacing and target restrictions.

NOW, THEREFORE, the Commission, pursuant to Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*, hereby 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 July 9, 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:
Twp 88 Rge 24 W6M – Sections 7 and 18.
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
Supervisor, Reservoir Engineering
Resource Conservation Branch

DATED AT the City of Victoria, in the Province of British Columbia, this 26th day of October 2007.

APPROVAL 06-06-056 (Amendment #1)

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

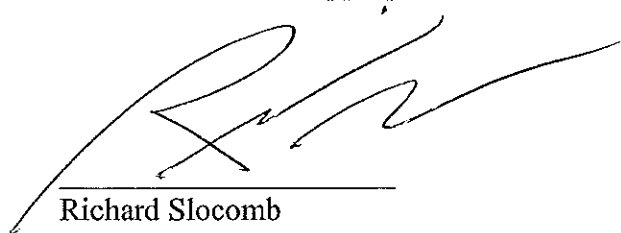
IN THE MATTER of a Good Engineering Practice (GEP) scheme of ProEx Energy Ltd. (ProEx) for producing the Bernadet field Halfway "C" gas pool without well spacing and target restrictions.

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 4, 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:
Twp 87 Rge 24 W6M – Sections 20, 30, 31
Twp 88 Rge 24 W6M – Section 6.
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
Supervisor, Reservoir Engineering
Resource Conservation Branch

DATED AT the City of Victoria, in the Province of British Columbia, this th 26 day of October 2007.