



March 2, 2005

4400-4800-59240-06  
OGC - 05068

Neil Horbachewski, P.Eng.  
Exploitation Engineer  
ProEx Energy Ltd.  
1400, 440 - 2<sup>nd</sup> Avenue S.W.  
Calgary AB T2P 5E9

Pro Ex Project (02)

Dear Mr. Horbachewski:

**RE: GOOD ENGINEERING PRACTICE APPROVAL  
GUNDY CREEK - HALFWAY "B" POOL**

Commission staff have reviewed your application, dated January 24, 2005, for Good Engineering Practise (GEP) the subject pool.

The pool named as Halfway Undefined in your application has been mapped as the Gundy Creek Halfway "B" non-associated gas pool. Upper and lower sandstone and coquina facies are evaluated and mapped as a single Halfway formation.

The Approval 05-06-017 is hereby granted under Part 8, Division 6, Section 101 of the British Columbia *Drilling and Production Regulation*. This approval is intended to allow operational flexibility and 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 952-0310.

Sincerely,

Craig Gibson, P. Eng.  
Director  
Resource Conservation Branch

RGS

Attachment

Approval Letters to Industry  
GEP, SWD, CONCURRENT PROD,  
PRESSURE MAINTENANCE,  
WATERFLOOD, ETC.

Copy 9

- Wellfile (originals)
- 59240
- Daily
- Resource Revenue
- S. Chicorelli
- R. Stefik
- G. Farr
- R. Slocomb
- D. Krezanoski

**RESOURCE CONSERVATION BRANCH**

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0301  
Location: 6<sup>th</sup> Flr 1810 Blanshard St, Victoria BC

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

**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 Gundy Creek Halfway "B" gas pool without well spacing, target and production 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 January 24, 2005.*

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

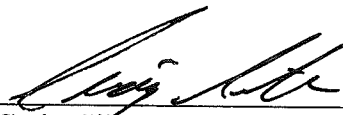
1. The area of the project shall consist of:

94-B-16: Block A - units 80, 90, 100  
Block B - units 71, 81, 91-93  
Block G - units 1-3  
Block H - unit 10.

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.

  
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Craig Gibson  
Director  
Resource Conservation Branch

DATED AT the City of Victoria, in the Province of British Columbia, this 2<sup>nd</sup> day of March 2005.