



OIL AND GAS COMMISSION

October 27, 2004

4400-4800-59240-06

OGC - 04309

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

Pro Ex Energy Project (02)

Dear Mr. Horbachewski:

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

Attached is a Good Engineering Project (GEP) scheme approval for the subject pool, as requested in your application of September 1, 2004.

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

The Approval 04-06-060 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

Attachment

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

Copy ~~10~~

- Wellfile (originals)
- 59240
- Daily
- Resource Revenue
- S. Chicorelli
- R. Stefik
- G. Farr
- ~~P. [unclear]~~
- 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

**APPROVAL 04-06-060**

**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 "A" 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 September 1, 2004.*

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

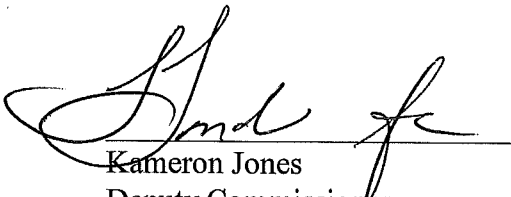
Block A - units 12, 13, 22, 23, 34, 35, 44, 45, 54-57, 64-67, 74-79, 84-89, 96-99

Block H - units 6-9, 18, 19, 28 and 29.

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.

  
Kameron Jones  
Deputy Commissioner  
Oil and Gas Commission

DATED AT the City of Fort St John, in the Province of British Columbia, this 27<sup>th</sup> day of October 2004.