



OIL AND GAS COMMISSION

January 7, 2009

5100-2700-59240-06

Max Vorobiev, P.Eng.  
Sr. Exploitation Engineer  
ProEx Energy Ltd.  
1200, 205 – 5<sup>th</sup> Avenue S.W.  
Calgary AB T2P 5E9

Dear Mr. Vorobiev:

**RE: GOOD ENGINEERING PRACTICE APPROVAL, AMENDMENT #1**  
**JULIENNE CREEK – GETHING “B” POOL**

Commission staff have reviewed your application, dated October 7, 2008 requesting an amendment to the Good Engineering Practice (GEP) scheme approval of November 29, 2007, for producing Julienne Creek field Gething “A” pool gas.

Existing wells have displayed considerable variability in production rates and expected ultimate recoveries, supporting this application. The Commission agrees that variation from normal well spacing and target areas is required to effectively drain this structurally controlled low permeability pool, however has a concern regarding potential competitive over-development.

The attached Approval 07-06-042 (Amendment #1) is hereby granted under Part 8, Division 6, Section 101 of the *Drilling and Production Regulation* for a portion of the subject pool. This approval incorporates several additional gas spacing areas to allow operations for the maximization of gas recovery. A notice of this application was posted to the OGC website, with no written objections received.

This approval is intended to allow the drilling and production of gas wells without regard to regulatory spacing and target area restrictions, for improved gas recovery. However, development locations should be located with regard to both gas recovery and avoidance of overlapping drainage areas, to avoid the necessity of the Commission imposing production allowable or well density conditions.

Should you have any questions, please contact Ron Stefik at (250) 952-0310.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Slocomb', is written over a light blue rectangular background.

Richard Slocomb, P.Eng.  
Supervisor, Reservoir Engineering

Attachment

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**RESOURCE CONSERVATION**

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](http://www.ogc.gov.bc.ca)

**APPROVAL 07-06-042 (Amendment #1)**

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

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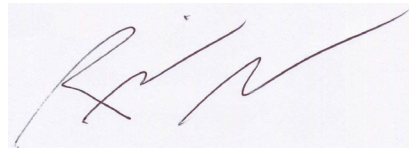
IN THE MATTER of a Good Engineering Practice (GEP) scheme of ProEx Energy Ltd. (ProEx) for producing the Julienne Creek field Gething "B" gas pool without well spacing and target restrictions.

NOW, THEREFORE, the Commission, pursuant to Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*, hereby 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 September 19, 2007, October 7, 2008 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-2 Block B – units 12, 13, 22, 23, 32, 33, 42, 43, 52-55 and 62-65.
  - Block G – units 11, 21, 31, 41
  - Block H – units 20, 30, 40 and 50.
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

DATED AT the City of Victoria, in the Province of British Columbia, this 7<sup>th</sup> day of January 2009.