



OIL AND GAS COMMISSION

September 20, 2006

8160-2700-59240-06

Cheryl Leitch, C.E.T.
Senior Engineering Technologist
ProEx Energy Ltd.
1400, 440 – 2nd Avenue S.W.
Calgary AB T2P 5E9

Dear Ms. Leitch:

**RE: GOOD ENGINEERING PRACTICE APPROVAL
TOWN – GETHING “A” POOL**

Commission staff have reviewed your application, dated July 18, 2006, requesting Good Engineering Practice (GEP) scheme approval for producing Gething formation gas in the West Beg area.

Please note that the Commission designates the wells subject of application as the Town field Gething “A” non-associated gas pool.

The attached Approval 06-06-058 is hereby granted under Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*. This approval 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,

A handwritten signature in dark ink, appearing to read 'D. McKenzie', is written over a light-colored rectangular background.

Doug McKenzie
Director
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 06-06-058

**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 Town field Gething "A" 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 18, 2006 and related submissions.

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

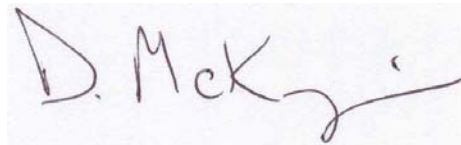
1. The area of the project shall consist of:

94-G-1: Block C – units 14, 15, 24, 25, 34, 35, 44, 45, 54-57 and 64-67.

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
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 20th day of September 2006.