



August 4, 2004

7250-2400-59240-06
OGC - 04236

Kevin V.R. MacINNES, P.Eng.
Manager Engineering and Operations
Relentless Energy Corporation
Suite 300, 435 - 4 Avenue S.W.
Calgary AB T2P 4V7

Relentless Project #1 (09)
Relentless Project #2 (10)

Dear Mr. MacINNES:

**RE: GOOD ENGINEERING PRACTICE APPROVALS
PICKELL NOTIKEWIN "A" POOL**

The Commission has reviewed your application dated June 11, 2004 requesting a Good Engineering Practice (GEP) scheme approval for producing gas from the Pickell field Notikewin "A" pool.

Attached are two GEP scheme approvals for portions of the subject pool. Two GEP approvals are considered necessary as the lands within your application are not contiguous. The Approvals 04-06-051 (Relentless Project #1) and 04-06-052 (Relentless Project #2) are hereby granted under Part 8, Division 6, Section 101 of the British Columbia *Drilling and Production Regulation*. The approvals are intended to allow operational flexibility and to allow the drilling of additional gas wells without spacing and target considerations for maximization of gas recovery.

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

Sincerely,

Craig Gibson, P. Eng.
Director
Resource Conservation Branch

Attachments

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

- Copy 40
- Wellfile (originals)
 - 59240
 - Dally
 - Resource Revenue
 - S. Chicorelli
 - R. Stefik
 - G. Farr
 - P. Attariwala
 - 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: 6th Flr 1810 Blanshard St, Victoria BC

APPROVAL 04-06-051

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

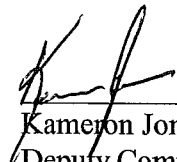
IN THE MATTER of a Good Engineering Practice (GEP) scheme of Relentless Energy Corporation (Relentless) for producing a portion of the Pickell Notikewin "A" gas pool without well spacing and target restrictions.

NOW, THEREFORE, the Commission, pursuant to Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*, hereby approves the GEP scheme of Relentless for drilling wells without spacing and target restrictions, as such scheme is described in

an Application from Relentless to the Commission dated June 11, 2004.

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

1. The area of the project shall consist of:
 - 94-H-3:
 - Block A - units 96-99
 - Block B - units 52-55, 62-65, 72-75, 82-85, 92, 93
 - Block G - units 2, 3, 11, 21, 31, 41
 - Block H - units 6-9, 16-20, 26-30, 38-40, 48-50, 56-59 and 66-69.
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, except those located within spacing areas directly adjoining producing non-project spacing areas, may be produced without individual well allowable restrictions.
4. Gas wells located within spacing areas directly adjoining producing non-project spacing areas must be restricted to a daily gas allowable of $60.0 \times 10^3 \text{ m}^3$, per spacing area, as per Section 88(7) of the *Regulation*.
5. 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 28th day of July 2004.

APPROVAL 04-06-052

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

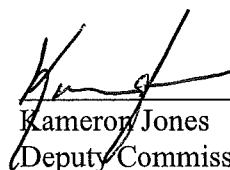
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an Application from Relentless to the Commission dated June 11, 2004.

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

1. The area of the project shall consist of:
 94-H-3:
 Block A - units 58, 59, 68, 69.
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, except those located within spacing areas directly adjoining producing non-project spacing areas, may be produced without individual well allowable restrictions.
4. Gas wells located within spacing areas directly adjoining producing non-project spacing areas must be restricted to a daily gas allowable of $60.0 \times 10^3 \text{ m}^3$, per spacing area, as per Section 88(7) of the *Regulation*.
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