



OIL AND GAS COMMISSION

September 10, 2007

6460-4535-59240-06

Christine Robertson, P.Eng.
VP Engineering & COO
Sabretooth Energy Ltd.
702, 2303 – 4th Street S.W.
Calgary AB T2S 2S7

Dear Ms. Robertson:

RE: GOOD ENGINEERING PRACTICE APPROVAL
OAK – BOUNDARY LAKE “A” POOL

Commission staff have reviewed your application dated April 14, 2007, and subsequent related correspondence, requesting a Good Engineering Practice (GEP) scheme approval for producing the subject pool.

An individual well Daily Oil Allowable (DOA) of 10.0 m³ was approved for the producing well Sabretooth Oak 16-10-86-18 W6M (WA# 22573). An annualized allowable was authorized on May 15, 2007, to gather additional data for reserves definition. The results to-date would indicate a pool of limited size and development potential, however continued production under allowable control will provide an extended period for opportunity assessment.

Attached is GEP scheme Approval 07-06-031, granted under Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*. The DOA value of 30.0 m³, subject to GOR adjustment factor, should allow economic production on a continuous basis.

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

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APPROVAL 07-06-031

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

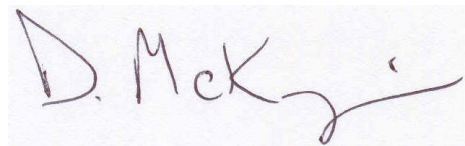
IN THE MATTER of a Good Engineering Practice (GEP) scheme of Sabretooth Energy Ltd. (Sabretooth) for producing the Oak field Boundary Lake "A" oil pool under a project allowable.

NOW, THEREFORE, the Oil and Gas Commission (Commission), pursuant to Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*, hereby approves the GEP scheme of Sabretooth as such scheme is described in

*an Application from Sabretooth to the Commission dated April 14, 2007
and related submissions.*

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

1. The area of the scheme shall consist of:
Twp 86 Rge 18 W6M – NE/4 Sect 10.
2. The project oil allowable is 30.0 m³/d.
3. An oil well may be drilled anywhere within the scheme area provided that it is not nearer than 100 m to the sides of the scheme area.
4. Royalty exempt oil production entitlement for the discovery well Sabretooth Oak 16-10-86-18 W6M (WA 22573) is limited to a volume of 5,661.8 m³ or the volume produced in the first 36 months, whichever is lesser.
5. This approval may be modified or rescinded at a later date if deemed appropriate.



Doug McKenzie
Director
Resource Conservation

DATED AT the City of Victoria, in the Province of British Columbia, this 10th day of September 2007.