



OIL AND GAS COMMISSION

August 6, 2008

7400-5000-59240-06

Christine Robertson, P.Eng.
Chief Operating Officer
Sabretooth Energy Ltd.
Suite #702, 2303 – 4th Street S.W.
Calgary AB T2S 2S7

Dear Ms. Robertson:

RE: GOOD ENGINEERING PRACTICE APPROVAL
RED CREEK - MONTNEY FORMATION

Commission staff have reviewed your application, dated May 26, 2008, requesting Good Engineering Practice (GEP) scheme approval for producing Montney formation gas in the Red Creek area.

The attached Approval 08-06-023 is hereby granted under Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*. This approval is intended to allow the production of gas wells without spacing consideration for maximization of gas recovery. No objections were received following publication of the application notice.

Should you have any questions, please contact the undersigned at (250) 952-0366 or Kelly Okuszko at (250) 952-0325.

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
Resource Conservation

Attachment

RESOURCE CONSERVATION

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 08-06-023

**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 Montney gas from a portion of the Red Creek field 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 Sabretooth for drilling wells without spacing and target restrictions, as such scheme is described in

an Application from Sabretooth to the Commission dated May 26, 2008.

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

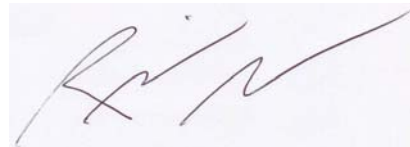
1. The area of the project shall consist of:

Township 85 Range 22W6M – Sections 22, 26, 27, 35, 36
Township 86 Range 22W6M – Sections 1, 11, 12

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 6th day of August 2008.