



OIL AND GAS COMMISSION

August 23, 2006

7250-2400-59240-06

Andre Brisson
Vice-President, Exploration
Silverwing Energy Inc.
Suite 1250, 635 – 8th Avenue SW
Calgary AB T2P 3M3

Dear Mr. Brisson:

**RE: GOOD ENGINEERING PRACTICE APPROVAL
PICKELL NOTIKWIN “B” POOL**

The Commission has reviewed your application dated July 13, 2006 requesting a Good Engineering Practice (GEP) scheme approval for producing gas from the Pickell - Notikewin “B” pool.

Attached is a GEP scheme approval for a portion of the subject pool. The Approval 06-06-050 is hereby granted under Part 8, Division 6, Section 101 of the British Columbia *Drilling and Production Regulation*. The approval is 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 Richard Slocomb (250) 952-0366.

Sincerely,

A handwritten signature in black ink that reads 'D. McKenzie'. The signature is written in a cursive style with a long horizontal stroke at the end.

Doug McKenzie
Director
Resource Conservation Branch

Attachment

RESOURCE CONSERVATION BRANCH

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APPROVAL 06-06-050

**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 Silverwing Energy Inc. (Silverwing) for producing a portion of the Pickell Notikewin "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 approves the GEP scheme of Silverwing for drilling wells without spacing and target restrictions, as such scheme is described in

an Application from Silverwing to the Commission dated July 13, 2006.

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

1. The area of the project shall consist of:

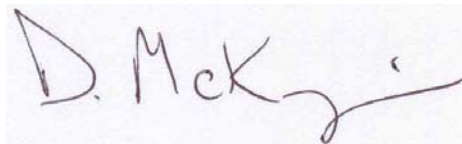
94-A-15:

Block L - units 52-57, 62-67, 72-77, 82-87, 92, and 93.

94-H-2:

Block D - units 2 and 3.

2. The requirements of Section 10 of the *Drilling and Production Regulation* are hereby waived, provided that gas wells within the scheme 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
Resource Conservation Branch

DATED AT the City of Victoria, in the Province of British Columbia, this 23rd day of August 2006.