

March 23, 2005

7250-2400-59240-06 OGC – 05093

A. (Tony) F. Boogmans, P.Eng. Vice-President, Engineering Silverwing Energy Inc. Suite 1250, 635 – 8th Avenue SW Calgary AB T2P 3M3 TONY BOOGMANS

403 263-5549

RICHARD SLOCOMB

250 952-0366

POST-IF MARCH 24, 2005

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Silverwing Project

Dear Mr. Boogmans:

RE: GOOD ENGINEERING PRACTICE APPROVAL PICKELL NOTIKEWIN "A" POOL

The Commission has reviewed your application dated February 14, 2005 requesting a Good Engineering Practice (GEP) scheme approval for producing gas from the Pickell - Notikewin "A" pool.

Attached is a GEP scheme approval for a portion of the subject pool. The Approval 05-06-020 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,

Craig (Gibso	n, P.	Eng.
Directo	or		
	~		

Resource Conservation Branch

Attachment

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GEP, SWD, CONCURRENT PRO PRESSURE MAINTENANCE, WATERFLOOD, ETC.	D,
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Daily	
Resource Revenue	
S. Chicorelli	•
R. Stefik	
G. Farr	
R. Slocomb	i
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APPROVAL 05-06-020

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 "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 Silverwing for drilling wells without spacing and target restrictions, as such scheme is described in

an Application from Silverwing to the Commission dated February 14, 2005.

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 H - units 14, 15, 24 and 25.

- 2. Gas production is limited to a daily gas allowable of 60.0 10³m³.
- 3. 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.
- 4. This approval may be modified or rescinded at a later date if deemed appropriate.

Craig Gibson

Director

Resource Conservation Branch