



October 23, 2008

0800-2900-59240-06

Keri Belecki, P. Eng.
Exploitation Engineer
Suncor Energy Inc.
P.O. Box 38
112 4th Avenue S.W.
Calgary AB T2P 2V5

Dear Ms. Belecki:

RE: GOOD ENGINEERING PRACTICE APPROVAL
BEG DUNLEVY "A" POOL

The Commission has reviewed your application dated August 1, 2008 requesting a Good Engineering Practice (GEP) scheme approval for producing Dunlevy gas from a portion of the Beg field.

A notice of your application was posted to the OGC website on August 8, 2008 with a final date for objection of August 29, 2008. Canadian Natural Resources Limited (CNRL), an operator of offsetting land and working interest holder within a portion of the application area, submitted an objection on August 27, 2008 and further comments on September 26, 2008. CNRL was concerned that a GEP in units 71-75 and 81-85 in Block H/94-B-16 and units 80 and 90 in Block E/94-A-13 may cause inequitable drainage of the Dunlevy 'C' pool to the south due to uncertainty in reservoir extent and communication between the 'A' and 'C' pools. The Commission agrees that a GEP in these sections is premature at this time and further delineation of the reservoir is required.

Furthermore, the Commission is unable to approve a GEP for the undeveloped spacing units to the north of the CNRL working interest lands, due to a lack of well control. Evidence supporting the need for higher well density may be considered in the future. Therefore approval has been granted for only one of the nine spacing units applied for. The approved spacing unit (Units 92 and 93, Block H/94-B-16 and Units 2 and 3, Block I/94-B-16) currently contains one producing Dunlevy well, b-003-I/94-B-16 (WA #00168), and is part of the Beg - Dunlevy 'A' pool. There is one other producing well, d-94-H/94-B-16 (WA #8180), within the Dunlevy 'A' pool.

The attached Approval 08-06-030 is hereby granted under Part 8, Division 6, section 101 of the British Columbia *Drilling and Production Regulation*. This approval will allow the drilling of an additional gas well without regard for spacing and target regulations in order to optimize pool drainage and recovery.

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

Sincerely,

Richard Slocomb, P. Eng.
Supervisor, Reservoir Engineering
Resource Conservation

Cc: Michael Skipper (CNRL)

RESOURCE CONSERVATION

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APPROVAL 08-06-030

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 Suncor Energy Inc. (Suncor) for producing a portion of the Beg - Dunlevy "A" pool without spacing and target restrictions.

NOW, THEREFORE, the Commission, pursuant to Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*, hereby approves a portion of the GEP scheme of Suncor as such scheme is described in

an Application from Suncor to the Commission dated August 1, 2008.

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

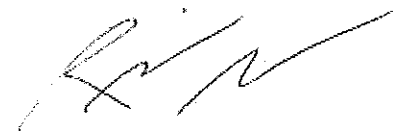
1. The area of the scheme shall consist of:

94-B-16 Block H – Units 92 and 93
Block I – 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 scheme area. The well SUNCOR ET AL HIGHWAY B- 003-I/094-B-16 (WA #00168) is completed outside of the 250 m buffer; however, the off target penalty was waived since the well was drilled prior to May 2, 1958 (Section 2 of the *Drilling and Production Regulation*).

3. The gas wells within the scheme 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, P.Eng.
Supervisor, Reservoir Engineering
Resource Conservation

DATED AT the City of Victoria, in the Province of British Columbia, this 23rd day of October 2008.