



CLIFF# 1092

January 8, 2010

8120-4980-59240-06

Tim Beatty  
VP Capital Projects  
Terra Energy Corp.  
970, 333 – 7<sup>th</sup> Avenue S.W.  
Calgary, AB T2P 2Z1

Dear Mr. Beatty:

**RE: GOOD ENGINEERING PRACTICE APPROVAL  
SUNRISE FIELD – DOIG PHOSPHATE BEDS “A” POOL**

Commission staff have reviewed the application, dated February 2, 2009, requesting Good Engineering Practice (GEP) scheme approval for producing gas from the Doig Phosphate beds of the Doig Formation in the Sunrise field.

The Commission has designated the area of application as the Sunrise - Doig Phosphate beds “A” pool. The Commission has limited the mapping of the reservoir to a thin, correlatable sandstone unit at the base of the Doig Phosphate zone. This has resulted in the approval of a much smaller GEP area than initially requested.

Attached is GEP Approval 09-06-042, hereby granted under Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*. GEP approval will allow the location and orientation of wells for effective gas recovery without regard to normal well spacing and target area restrictions.

Please note that this Approval does not address the separate issues associated with unintended inter-formational commingling.

Should you have any questions, please contact the undersigned at (250) 419-4421.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Richard Slocomb', is written over a light blue horizontal line.

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

Attachment

APPROVAL 09-06-042

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

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IN THE MATTER of a Good Engineering Practice (GEP) scheme of Terra Energy Corp. (Terra) for producing gas from the Sunrise – Doig Phosphate Beds “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 the GEP scheme of Terra as such scheme is described in

*an Application from Terra to the Commission dated February 2, 2009 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 79 Rge 17 W6M - Sections 23-27, 35  
Twp 80 Rge 17 W6M - Sections 2.
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.



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Richard Slocomb  
Supervisor, Reservoir Engineering  
Resource Conservation  
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 8th day of January 2010.