

December 17, 2009

8120-4900-59240-06

Darcy Spratt, R.E.T
Senior Consulting Technologist
Terra Energy Corp.
970, 333 – 7th Avenue S.W.
Calgary AB T2P 2Z1

Dear Mr. Spratt:

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

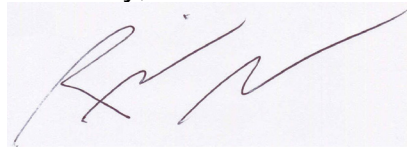
Commission staff have reviewed the application, dated October 30, 2009, requesting Good Engineering Practice (GEP) scheme approval for producing gas from the Doig formation in the Sunrise field.

The Commission has designated the area of application as the Sunrise field Doig “A” pool. GEP approval will allow the location and orientation of wells for effective gas recovery without regard to normal well spacing and target area restrictions.

Attached are GEP Approvals 09-06-039 (Terra Project #1) and 09-06-040 (Terra Project #2), hereby granted under Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*. This approval is intended to allow the drilling and production of gas wells within the GEP area for maximization of gas recovery.

Should you have any questions, please contact the undersigned at (250) 419-4421 or Travis Mercure at (250) 419-4448.

Sincerely,



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

Attachment

APPROVAL 09-06-039

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

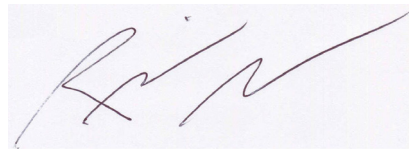
IN THE MATTER of a Good Engineering Practice (GEP) scheme of Terra Energy Corp. (Terra) for producing gas from a portion of the Sunrise field Doig "A" pool without spacing and target restrictions.

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 October 30, 2009.

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.



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

DATED AT the City of Victoria, in the Province of British Columbia, this 17th day of December 2009.

APPROVAL 09-06-040

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

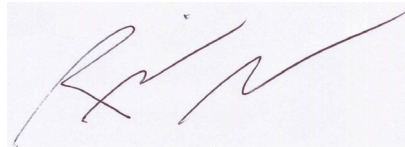
IN THE MATTER of a Good Engineering Practice (GEP) scheme of Terra Energy Corp. (Terra) for producing gas from a portion of the Sunrise field Doig "A" pool without spacing and target restrictions.

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 October 30, 2009.

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

1. The area of the scheme shall consist of;
Twp 80 Rge 17 W6M - Sections 4, 9.
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
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 17th day of December 2009.