



OIL AND GAS COMMISSION

June 26, 2007

8160-2600-59240-06

Cheryl Leitch, CET  
Senior Engineering Technologist  
ProEx Energy Ltd.  
1200, 205 – 5th Avenue S.W.  
Calgary AB T2P 4B9

Dear Ms. Leitch:

**RE: GOOD ENGINEERING PRACTICE APPROVAL  
TOWN - BLUESKY "E" POOL**

Commission staff have reviewed your application, dated March 1, 2007, requesting Good Engineering Practice (GEP) scheme approval for producing Bluesky formation gas in the Beg West area.

OGC mapping recognizes wells in this area as encountering the Town field - Bluesky "E" non-associated gas pool.

Attached is GEP Approval 07-06-024 hereby granted under Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*. No objections were received following publication of notice of the application.

This approval is intended to allow the drilling and production of gas wells without spacing and target considerations, for maximization of gas recovery.

Should you have any questions, please contact Ron Stefik at (250) 952-0310.

Sincerely,

Doug McKenzie  
Director  
Resource Conservation Branch

Attachment

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**RESOURCE CONSERVATION BRANCH**

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0301  
Location: 6<sup>th</sup> Flr 1810 Blanshard St, Victoria BC

Headquarters: #200, 10003 110<sup>th</sup> Ave, Fort St. John BC V1J 6M7 Tel: (250) 261-5729 Fax: (250) 261-5744 [www.ogc.gov.bc.ca](http://www.ogc.gov.bc.ca)

APPROVAL 07-06-024

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 ProEx Energy Ltd. (ProEx) for producing the Town field Bluesky "E" 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 ProEx for drilling wells without spacing and target restrictions, as such scheme is described in

*an Application from ProEx to the Commission dated March 1, 2007 and related submissions.*

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

1. The area of the project shall consist of:  
94-G-1: Block C – units 14, 15, 24, 25, 34, 35, 44, 45, 56, 57, 66 and 67.
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.



Doug McKenzie  
Director  
Resource Conservation Branch

DATED AT the City of Victoria, in the Province of British Columbia, this 26<sup>th</sup> day of June 2007.