



December 13, 2005

3200-8400-59240-15
OGC – 05356

Roy Hodgkinson
Sr. Project Coordinator
Western Canada Development and Operations
Petro-Canada Oil and Gas
P.O. Box 2844
Calgary AB T2P 3E3

Dear Mr. Hodgkinson:

**RE: EXPERIMENTAL SCHEME APPROVAL, AMENDMENT
CLARKE LAKE –SLAVE POINT “A” GAS POOL**

The Commission has reviewed your application dated November 3, 2005 requesting an amendment to the experimental scheme approval to test artificial lift technologies in order to optimize gas recovery from the subject pool.

Petro-Canada has requested five additional units of land to the east of the existing approval area, comprised of one additional gas spacing unit and one unit identified for produced water disposal (18-D/94-J-16). Petro-Canada has not selected the petroleum and natural gas rights for the full gas spacing unit associated with unit 18. The Commission would like to advise Petro-Canada that their ability to dispose of produced water may be compromised should another company secure the rights to the remaining three units of land (19, 28 and 29-D/94-J-16) and drill a successful Slave Point gas well.

Attached is Approval 05-15-001 (Amendment #1) for the application granted under section 100 of the Petroleum and Natural Gas Act. Please note that only the project area has been enlarged, all other conditions remain unchanged.

Sincerely,

Richard Slocomb, P. Eng.
A/ Director
Resource Conservation Branch

Attachments

Approval Letters to Industry
Experimental Schemes –
CBM, SHALE GAS, Etc.
Copy 11

- Daily
- Wellfile (originals)
- 59240
- R. Slocomb
- R. Stefik
- G. Farr
- GIS Co-op Students
- Resource Revenue
- S. Chicorelli
- D. Krezanoski (FSJ)
- L. Stellmaker (FSJ)

RESOURCE CONSERVATION BRANCH

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APPROVAL 05-15-001 (Amendment #1)

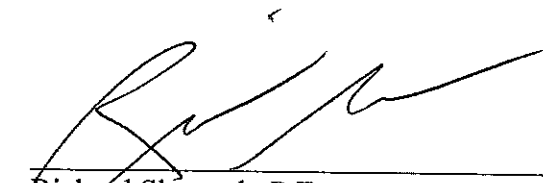
**THE PROVINCE OF BRITISH COLUMBIA
PETROLEUM AND NATURAL GAS ACT
OIL AND GAS COMMISSION**

IN THE MATTER of the experimental scheme of Petro-Canada Oil and Gas (Operator) to test the commercial viability of artificial lift technology for optimizing gas recovery in the Clarke Lake – Slave Point “A” pool.

NOW THEREFORE, the Commission, pursuant to section 100 of the Petroleum and Natural Gas Act, R.S.B.C. 1996, c.361, hereby orders as follows:

1. The experimental scheme for testing artificial lift technologies in order to optimize gas recovery in the Clarke Lake- Slave Point “A” pool, as such proposal is described in the application to the Commission dated February 24, 2005 is hereby approved, subject to terms and conditions herein contained.
2. The area of the experimental scheme consists of;
 - 94-J-9 Block L – unit 98-100
 - 94-J-10 Block I – units 91-97
 - 94-J-15 Block A – units 1-7
 - 94-J-16 Block D – unit 8-10, 18
3. The gas wells within the scheme area may be produced without individual well allowable restrictions.
4. 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.
5. The Operator must submit a progress report to the Commission annually. The progress report is due within 60 days after the end of each period and must contain:
 - a) the daily average rate of gas and water produced during each month for each producing well, and for the scheme as a whole,
 - b) the monthly cumulative gas and water production from each producing well, and for the scheme as a whole,
 - c) details of any workover or fracture treatment program done on any of the wells with results of the workovers or fracture treatment,
 - d) an evaluation of bottom hole pressures and any other data collected,
 - e) representative sample analysis of produced gas and water,
 - f) a discussion of the overall performance of the scheme,
 - g) any other information that is considered necessary, in the opinion of the Commission, to evaluate the progress, performance and efficiency of the scheme.

6. The operations of the experimental scheme will be subject to review by the Commission. The Director, Resource Conservation Branch or the Director, Operations Engineering Branch, may issue guidelines regarding the operations of the scheme.
7. The approval or any condition of it may be modified, if deemed appropriate.



Richard Slocomb, P.Eng.
A/ Director
Resource Conservation Branch

DATED AT the City of Victoria, in the Province of British Columbia, this 13th day of December 2005.