

January 21, 2009

2800-4100-59240-06

Ann Green Engineering Technologist Bonavista Petroleum Ltd. 700, 311-6th Avenue S.W. Calgary AB T2P 3H2

Dear Ms. Green:

RE: GOOD ENGINEERING PRACTICE APPROVAL BUICK CREEK WEST – BALDONNEL "H" POOL

Commission staff have reviewed the application, dated November 30, 2008, and supplemental information dated December 11, 2008, requesting Good Engineering Practice (GEP) scheme approval for producing gas from the subject pool.

The well Bonavista et al N Buick a-46-L/94-A-14 (WA 12188) commenced production in December 2001. Performance and reservoir pressure information indicate that production from an existing second well in the gas spacing area should improve pool gas recovery.

Attached is Approvals 09-06-004, granted under Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*. This approval are intended to allow the production of two gas wells in the GEP area without regard for spacing restriction for maximization of gas recovery.

A separate off-target production penalty waiver order was issued by the Commission on December 5, 2008 for the well Bonavista et al W Buick d-36-L/94-A-14 (WA 14152), for the Baldonnel formation.

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

Sincerely,

Richard Slocomb, P.Eng.

Supervisor, Reservoir Engineering

Resource Conservation

Attachment

APPROVAL 09-06-004

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 Bonavista Petroleum Ltd. (Bonavista) for producing the Buick Creek West – Baldonnel "H" pool without spacing 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 Bonavista as such scheme is described in

an Application from Bonavista to the Commission dated November 20, 2008, December 11, 2008 and related submissions.

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

- The area of the scheme shall consist of;
 94-A-14 Block L Units 36, 37, 46 and 47.
- 2. The requirement of Section 10(1) of the *Drilling and Production Regulation*, regarding normal spacing area for a gas well, is hereby waived.
- 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 This approval may be modified or rescinded at a later date if deemed appropriate.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 \mathcal{U}^{st} day of January 2009.