



OIL AND GAS COMMISSION

January 8, 2008

7750-5000-59240-06

Tonia Place
Technical Engineering Assistant
Crew Energy Inc.
1400, 425 – 1st Street S.W.
Calgary AB T2P 3L8

Dear Ms. Place:

**RE: GOOD ENGINEERING PRACTICE APPROVAL, AMENDMENT #1
SEPTIMUS – MONTNEY “A” POOL**

Commission staff have reviewed the application, dated November 27, 2008, requesting amendment to the Good Engineering Practice (GEP) scheme approval dated May 30, 2008 for producing gas from the Montney formation in the Wider area. The area of application have been tentatively identified as an extension of the Septimus field – Montney “A” pool based on limited existing well control and the regional deposition of the gas charged Montney formation.

Attached is Approval 08-06-013 (Crew Project #2) Amendment #1, granted under Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*, increasing the area size. This approval is intended to allow the drilling and production of gas wells without regard for spacing and target restrictions for maximization of gas recovery. No written objections were received following notice of this application on the OGC website.

Portions of the GEP area with rights held under Drilling Licence will require Lease selection prior to production from wells on the affected tenure.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Richard Slocomb', is written over a light blue rectangular background.

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

Attachment

RESOURCE CONSERVATION

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

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

APPROVAL 08-06-013 (Amendment #1)

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

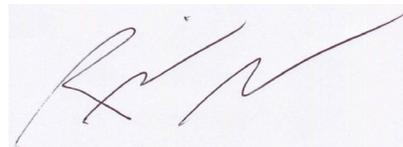
IN THE MATTER of a Good Engineering Practice (GEP) scheme of Crew Energy Inc. (Crew) for producing the Septimus – Montney “A” pool without spacing and target restrictions.

NOW, THEREFORE, the Commission, pursuant to Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*, hereby amends the GEP scheme of Crew as such scheme is described in

an Application from Crew to the Commission dated April 28, 2008, November 17, 2008 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 82 Rge 19 W6M – Sect 6, 7, 18, 31, 33
 - Twp 82 Rge 20 W6M – Sect 12, 13, 24, 26, 28, 33-35
 - Twp 83 Rge 19 W6M – Sect 3, 6-9
 - Twp 83 Rge 20 W6M – Sect 1 and 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 8th day of January 2009.