

November 18, 2008 9021-5000-59240-06

R. A. Pachovsky, P.Eng. Senior Staff Engineer Duvernay Oil Corp. 1500, 202 – 6<sup>th</sup> Avenue S.W. Calgary AB T2P 2R9

Dear Mr. Pachovsky:

RE: GOOD ENGINEERING PRACTICE APPROVAL (08-06-007), AMENDMENT #1 HERITAGE – MONTNEY "A" POOL

Commission staff have reviewed the applications, dated December 3, 2007 and August 8, 2008, for producing gas from the Montney formation in the Heritage area under Good Engineering Practice (GEP).

The Commission has designated the area of application to be within the Heritage - Montney "A" gas pool.

The Approval 08-06-007 (Amendment #1) is hereby granted under Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*. No objections were received following notice of the application on the OGC website.

This approval is intended to allow operational flexibility and to allow the drilling and production of additional gas wells within the GEP area for maximization of gas recovery.

Should you have any questions, please contact the undersigned at (250) 952-0366 or Kelly Okuszko at (250) 952-0325.

Sincerely,

Richard Slocomb, P. Eng.

Supervisor, Reservoir Engineering

**Resource Conservation** 

Attachment

## **APPROVAL 08-06-007 (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 Duvernay Oil Corp. (Duvernay) for producing gas from the Heritage – Montney "A" gas pool without spacing, target and production restrictions.

NOW, THEREFORE, the Commission, pursuant to Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*, hereby approves the amendment of the GEP scheme of Duvernay for drilling wells without spacing and target restrictions, as such scheme is described in

Application from Duvernay to the Commission dated December 3, 2007 and August 8, 2008.

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

1. The area of the project shall consist of:

T78-R19 W6M: sections 20-22, 27-29, 31-33

T79-R19 W6M: sections 3-5, 7-9.

- 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 **150 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

DATED AT the City of Victoria, in the Province of British Columbia, this 18th day of November 2008.