

March 1, 2007 8115-4900-59240-06

Roman Pachovsky, P.Eng. Senior Staff Engineer Duvernay Oil Corp. 1500, 202 -6th Avenue SW, Calgary AB T2P 2R9

Dear Mr. Pachovsky:

RE: GOOD ENGINEERING PRACTICE APPROVAL, AMENDMENT #1 SUNDOWN - DOIG "A" POOL

The Commission has reviewed your application, dated September 29, 2006 (received November 28, 2006), requesting an amendment to the Good Engineering Practice (GEP) scheme approval for the subject pool.

Performance from existing producing wells demonstrates the need for reduced well spacing for improved gas recovery. Approval 06-06-006 (Amendment #1) is hereby granted under Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*. This amendment adds multiple gas spacing areas surrounding the original approval area. All other approval conditions remain unchanged.

No objections were received following publication of notice of the amendment application in the BC Gazette. Approval of this application was delayed pending receipt of consent letters from all title interest owners.

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

Sincerely,

Doug McKenzie Director

Resource Conservation Branch

Attachment

APPROVAL 06-06-006 (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 wells from the Sundown – Doig "A" 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 amends the GEP scheme of Duvernay for drilling wells without spacing and target restrictions, as such scheme is described in

an Application from Duvernay to the Commission dated November 1, 2005 and September 29, 2006 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:

93-P-07 Block I – units 98-100 Block J – units 91-99 93-P-10 Block A – units 8-10, 18-20, 28-30 Block B – units 1-9, 11-19, 21-29, 32-39, 42-49, 52-59, 62-69, 74, 75, 84 and 85.

- 2. 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.
- 3. The gas wells within the scheme 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 1st day of March 2007.