



OIL AND GAS COMMISSION

November 13, 2007

7750-4800-59240-06

Marg Fraser, C.E.T.
NE BC Exploitation
Devon Canada Corporation
2000, 400 – 3rd Avenue S.W.
Calgary AB T2P 4H2

Dear Ms. Fraser:

**RE: APPLICATION FOR GOOD ENGINEERING PRACTICE
SEPTIMUS – HALFWAY “A” POOL**

The Commission has reviewed your application dated July 31, 2007 requesting a Good Engineering Practice (GEP) scheme approval for producing gas from a portion of the Septimus Halfway “A” pool.

Notice of the application was published in the OGC website. Terra Energy Corp, operator of the well Terra Septimus 15-34-81-19 W6M (WA 19411) submitted an objection on October 24, 2007. In response, Devon submitted their comments dated November 8, 2007.

A technical analysis of production history, pressure data and reserves indicates that the subject pool is performing as would be expected from a conventional reservoir. The production performance of on-trend Septimus - Halfway “A” pool gas wells shows that these wells are expected to adequately recover spacing reserves from a single wellbore. The proposed well 12-35-81-19 W6M is off-set by three wells, namely, Devon Septimus 16-35-81-19 W6M, Devon Septimus 3-2-82-19 W6M and Terra Septimus 15-34-81-19 W6M. The Commission agrees with Terra Energy that the drilling of a second well within section 35-81-19 W6M will likely only result in accelerated production and would not yield any appreciable incremental gas reserves. Therefore, the Commission is unable to approve your application for GEP at this time.

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

Sincerely,

for Richard Slocomb, P. Eng.
Supervising Reservoir Engineer
Resource Conservation Branch

Cc: Terra Energy Corp. (Attn: Gord Oliver)

RESOURCE CONSERVATION BRANCH

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