

February 4, 2010

6460-4520-59240-09

Lavern Rankin, P.Eng.
Canadian Operations Manager
Central Global Resources ULC
1800, 500 – 4th Avenue S.W.
CALGARY, AB T2P 2V6

Dear Mr. Rankin:

**RE: PRESSURE MAINTENANCE WATERFLOOD APPROVAL, AMENDMENT #3
OAK - CECIL "I" POOL**

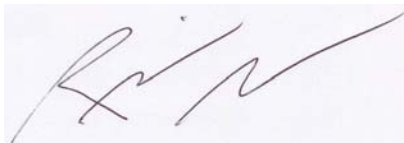
Commission staff have reviewed your application, dated January 7, 2010, requesting an amendment to the pressure maintenance waterflood approval for subject pool, last amended December 5, 2003. The Commission also met with staff from Central Global Resources ULC on January 12, 2010 to review operations and performance of this pool.

Attached is Approval #97-09-004 (Amendment #3), granted under Section 100 of the Petroleum and Natural Gas Act. The Commission has reviewed current gas sales or re-injection options submitted as per guidelines; this amendment removes the previous requirement that all associated gas production be conserved. All other conditions remain unchanged.

Please note condition #6 of the approval requires the submission of an annual progress report, the last submission received was dated 2006.

Should you have any questions, please contact Ron Stefik at (250) 419-4430.

Sincerely,



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

Attachment

cc: Kevin Parsonage, OGC

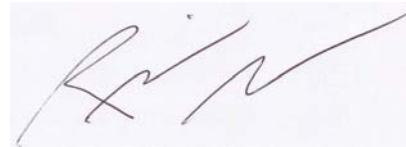
APPROVAL 97-09-004 (AMENDMENT #3)
THE PROVINCE OF BRITISH COLUMBIA
PETROLEUM AND NATURAL GAS ACT
OIL AND GAS COMMISSION

IN THE MATTER of a pressure maintenance scheme of Central Global Resources ULC (Central Global) for waterflood recovery of oil by water injection into the Oak - Cecil "I" pool.

NOW THEREFORE, the Commission, pursuant to Section 100 of the Petroleum and Natural Gas Act, R.S.B.C.1996, c.361 hereby orders as follows:

The pressure maintenance scheme of Central Global for waterflood recovery of oil from the Oak Cecil "I" pool as such scheme is described in the application dated August 13, 1997, July 14, 1998, December 2, 2003 and January 7, 2010 is hereby amended, subject to the following terms:

1. The project area of the pressure maintenance scheme consists of NE/4 sec 17, SW/4 & E/2 sec 20, W/2 sec 21, sec 28, E/2 sec 29 and sec 33-86-17 W6M.
2. The project daily oil allowable is 100.0 m³.
3. Water may be injected into the Cecil "I" pool through the wells A9-17 (WA 11401) and 5-28-86-17 W6M (WA 16684).
4. The injection pressure at the sandface must not exceed the formation fracture pressure.
5. An oil well may be drilled anywhere within the project area provided that it is not completed within 100 m of the boundary of the project area.
6. Progress reports shall be filed as stipulated in Section 8 of the *Petroleum and Natural Gas General Regulation*.
7. The operations of the pressure maintenance scheme are subject to periodic review, and modification to the approval may be ordered, 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 4th day of February 2010.