

July 28, 2009

4650-2600-59240-09

Jordy Brickner
Production Engineer
Hay River Area
Harvest Operations Corp.
2100, 330 – 5th Avenue SW,
CALGARY AB T2P 0L4

Dear Mr. Brickner:

RE: PRESSURE MAINTENANCE APPROVAL (AMENDMENT #6)
HAY RIVER FIELD - BLUESKY "A"AND "B" POOLS

Commission staff have reviewed your application, dated May 14, 2009, requesting an amendment to the pressure maintenance waterflood approval previously granted for the Hay River field Bluesky "A" and "B" oil pools; specifically to increase the scheme area to include wells from the 2009 drilling season and prospective area for further development defined from the 2008 seismic program.

Attached is Approval 00-09-001 (Amendment #6) for the application, granted under Section 100 of the <u>Petroleum and Natural Gas Act</u>. This amendment increases the area of approval to include the following;

94-I-9 Block G – units 4, 5, 14-19, 24-29, 36-39 and 46-49.

Individual locations of the many injection wells are not noted in the Approval, to allow continued operator selection and conversion of site locations to maximize production.

Should you have any questions, please contact Ron Stefik at (403) 419-4430.

Sincerely,

Richard Slocomb

Supervisor, Reservoir Engineering

Resource Conservation

Attachment

APPROVAL 00-09-001 (AMENDMENT #6)

THE PROVINCE OF BRITISH COLUMBIA PETROLEUM AND NATURAL GAS ACT OIL AND GAS COMMISSION

IN THE MATTER of a pressure maintenance scheme of Harvest Operations Corp. (Harvest) for waterflood recovery of oil by water injection into the Hay River Bluesky "A" and "B" pools and gas injection into the Hay River Bluesky "A" pool gas-cap.

The Commission, pursuant to Section 100 of the <u>Petroleum and Natural Gas Act</u>, R.S.B.C. 1996, c.361 orders as follows:

The pressure maintenance scheme in the Hay River Bluesky "A" and "B" pools as described in the applications to the Commission dated November 19, 1999, September 29, 2000, March 20, 2001, March 21, 2002, August 31, 2005, June 20, 2007 and May 14, 2009 is amended, subject to the following terms:

1. The project area of the pressure maintenance scheme consists of;

NTS 94-I-9:

Block A – units 96-100

Block B – unit 91

Block G – units 1-5, 11-19, 21-29, 31-39, 41-49, 51-57, 61-67, 71-77, 81-87, 91-95

Block H – units 6-10, 16-20, 26-100

Block I - units 1-30

Block J – units 1-5, 11 and 21.

- 2. The reserves based project daily oil allowable is 1,696.0 m³.
- 3. All associated gas production must be conserved.
- 4. Excess solution gas may be re-injected into the Bluesky "A" pool gas-cap through the wells a-13-I or a-26-I/94-I-9.
- 5. The injection pressure measured at the sandface must not exceed the formation fracture pressure.
- 6. An oil well may be drilled anywhere within the project area provided that it is not nearer than 100 m to the sides of the project area.
- 7. Progress reports shall be filed as stipulated in Section 8 of the *Petroleum and Natural Gas General Regulation*.
- 8. The operations of the pressure maintenance scheme will be subject to periodic review and modification to the approval may be ordered, if deemed appropriate.

Richard Slocomb

Supervisor, Reservoir Engineering

Resource Conservation

DATED AT the City of Victoria, in the Province of British Columbia, this 28th day of July, 2009.