



File: WID# 2050
11 December 2007

Mr. Dave Taylor
Western Canada Drilling Manager
Petro-Canada
P.O. Box 2844
Calgary, AB T2P 3E3

Dear Mr. Taylor:

Approval to Drill a Well for Petro-Canada Blackwater Kwijika M-59

Please be advised that Petro-Canada is given approval to drill the well Petro-Canada Blackwater Kwijika M-59 as per section 83 of the *Canada Oil and Gas Drilling Regulations*. Attached is an approved ADW form for M-59. Please be reminded that all oil and gas activities are, at minimum, to meet the requirements of the *Canada Oil and Gas Drilling Regulations*, the *Oil and Gas Occupational Safety and Health Regulations* and the *Canada Labour Code, Part II*.

Please note conditions and items on Attachment. If you have any questions please do not hesitate to contact the undersigned at 299-2792.

Yours truly,

A handwritten signature in black ink, appearing to read "B. C. Dixit".

B. C. Dixit
Chief Conservation Officer

Attachment

cc: G. Morrell (INAC)

444 Seventh Avenue SW
Calgary, Alberta T2P 0X8

444, Septième Avenue S.-O.
Calgary (Alberta) T2P 0X8

Canada

Telephone/Téléphone : (403) 292-4800
Facsimile/Télécopieur : (403) 292-5503
<http://www.neb-one.gc.ca>
Telephone/Téléphone : 1-800-899-1265
Facsimile/Télécopieur : 1-877-288-8803

**Approval to Drill a Well for
Petro-Canada Blackwater Kwijika M-59**

1. The Approval to Drill a Well form is to be displayed at a prominent place on the drill site as per section 103 of the *Canada Oil and Gas Drilling Regulations*. Also, copies of the *Canada Oil and Gas Drilling Regulations* as well as the *Oil and Gas Occupational Safety and Health Regulations* are to be kept at the drill site and available on request by any person on the drill site (section 102 of the *Canada Oil and Gas Drilling Regulations* and paragraph 125.(1)(e) of the *Canada Labour Code, Part II*, respectively).
2. Information to be submitted to the Chief Conservation Officer includes all logs run, drill chips samples, core and fluid samples collected, descriptions and analyses performed on any core, DST results and any pressure and temperature data collected. Actual samples collected are to be submitted to the Core and Sample Repository at the Geological Survey of Canada - Calgary.
3. Well suspension operations are required to meet the requirements of the *Canada Oil and Gas Drilling Regulations*. Upon program termination and well suspension a "Well Termination Record" is requested to be submitted complete with a wellbore schematic.
4. Please note that spud notification and daily reports are to be emailed to dailyreports@neb-one.gc.ca . In the event that email system is down then reports may be faxed to 403-292-5876 to the attention of the Chief Conservation Officer.
5. Geological reports (including descriptions, strip logs and gas detection readings) and drilling reports are to be emailed to dailyreports@neb-one.gc.ca daily by 8:30 am. Please submit two paper copies and 1 PDF version of all final well report data; in addition, please submit one LAS copy of final log prints. Please ensure compact discs are maximized and submitted with the final well report.
6. Please include a final well survey in the final well report.
7. Petro-Canada shall implement or cause to be implemented all of the policies, practices, mitigative measures, recommendations and procedures for the protection of the environment referred to in its application and subsequent submissions.
8. Petro-Canada shall, within 30 days of the completion of the drilling program, file with the Chief Conservation Officer a confirmation, by an officer of the company, that the approved project was completed in compliance with all applicable conditions in each Approval to Drill a Well. If compliance with any of these conditions cannot be confirmed, the officer of the company shall file with the Chief Conservation Officer details as to why compliance cannot be confirmed.
9. Petro-Canada shall meet the Guideline for Ambient Air Quality Standards in the Northwest Territories when conducting any flaring associated with the drilling program.
10. Petro-Canada shall submit a report of its summer site inspection prior to October 2008.