

January 13, 2010

**LICENSEES OF PENALIZED OFF-TARGET GAS WELLS
RE: 2010 ANNUAL GAS ALLOWABLE ORDER AND ANNUAL PRESSURE TESTING**

2010 ANNUAL GAS ALLOWABLE ORDER

The Energy Resources Conservation Board (ERCB) 2010 Annual Gas Allowable is issued which is posted on the ERCB's website: www.ercb.ca. The penalized annual allowable shown in column (6) is the amount of gas that may be produced by the well identified in column (1) in the year 2010. If the well has unretired overproduction, the amount in column (6) has been adjusted. Column (7) provides the operator with additional instructions as to outstanding requirements and/or production limitations.

Wells with outstanding deliverability and/or pressure tests have not been assigned an allowable. These wells shall not be produced until the required test data has been submitted to the ERCB, the gas allowable application process is completed, and an allowable assigned for the 2010 production period. Production that occurs in the absence of an allowable will be subject to immediate enforcement action. Wells that have an outstanding pressure test, have not been assigned an allowable for the 2010 year and are producing will be issued a shut in notice.

ANNUAL PRESSURE TESTING

An annual pressure test is required for an off-target gas well unless the test requirement has been waived by the ERCB. The waiver is provided at the time an off-target penalty and annual allowable are initially assigned and is subsequently included in the ERCB's annual pressure test survey document. Licensees are advised that penalized off-target gas wells should be pressure-tested and the test submitted to the ERCB prior to November 1 of the current year to ensure continued production at the start of the new allowable period. **Extensions to the annual submission date are not granted for off-target wells.** If a pressure test is submitted after the November 1 deadline, the operator is required to complete a gas allowable application requesting a review or assignment of an allowable and will not produce until an allowable is assigned.

Additional information respecting off-target well administration is included in the attachment.

Any questions respecting this matter may be directed to Glenda McSween at 403-297-8495, Lindsay Stubbs at 403-297-6034 or the undersigned at 403-297-4151.

Yours truly,

A handwritten signature in blue ink, appearing to read "S. Mangat", is written over a light blue circular stamp.

S. Mangat, C.E.T.
Senior Technologist
Resources Applications