



Penn West Energy Trust

Seal/Dawson Peace River Area Bluesky Oil Sands

Primary Recovery Approval Performance Presentation No. 2

October 27, 2005

Penn West Energy Trust



Update

- Drilled 14 infill development horizontal wells
 - On pads with multi-well facilities
- Drilled water disposal well with facilities
 - 2-7-82-15W5 (Debolt)
- Geological revision
 - Channel not barrier bars
- Continuing development
 - Drilling and facilities



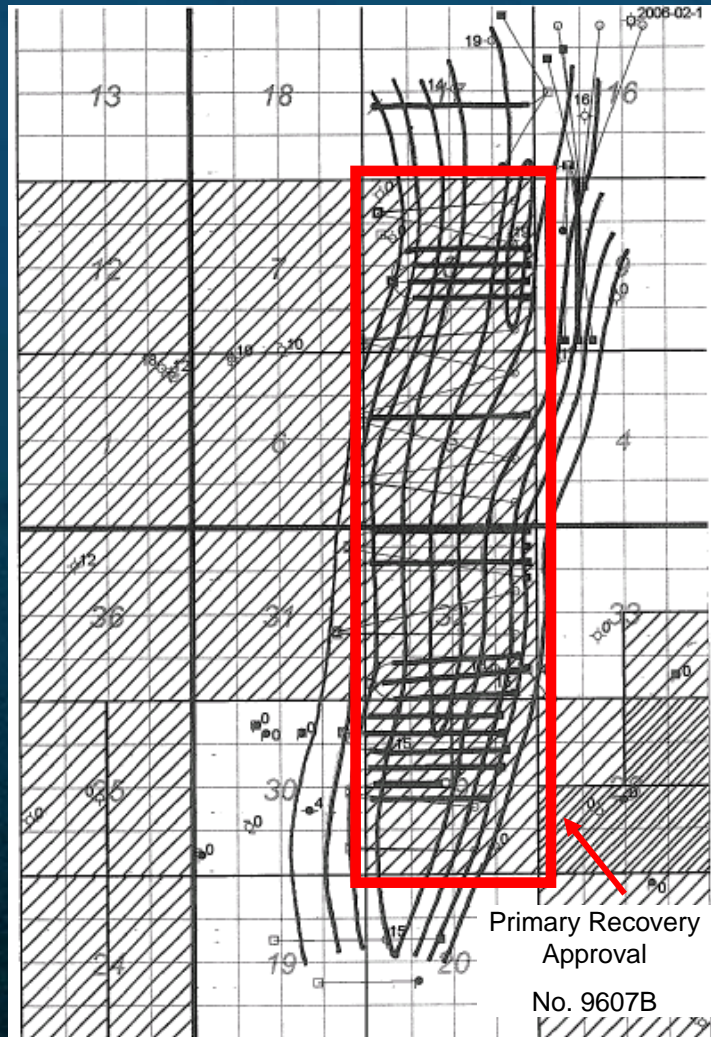
EUB Primary Recovery Approval

- EUB Approval No. 9607B
 - Application No. 1323677 submitted December 8, 2003
 - Approval received July 27, 2004
- Bluesky formation in the Peace River Area
 - Sections 29, 32-81-15W5
 - Section 5, 8-82-15W5
- Approval of the primary recovery scheme subject to the following terms and conditions
 - Minimum interwell distance of 140 m
 - Minimum 50 m buffer



Bluesky Net Pay Map

R15



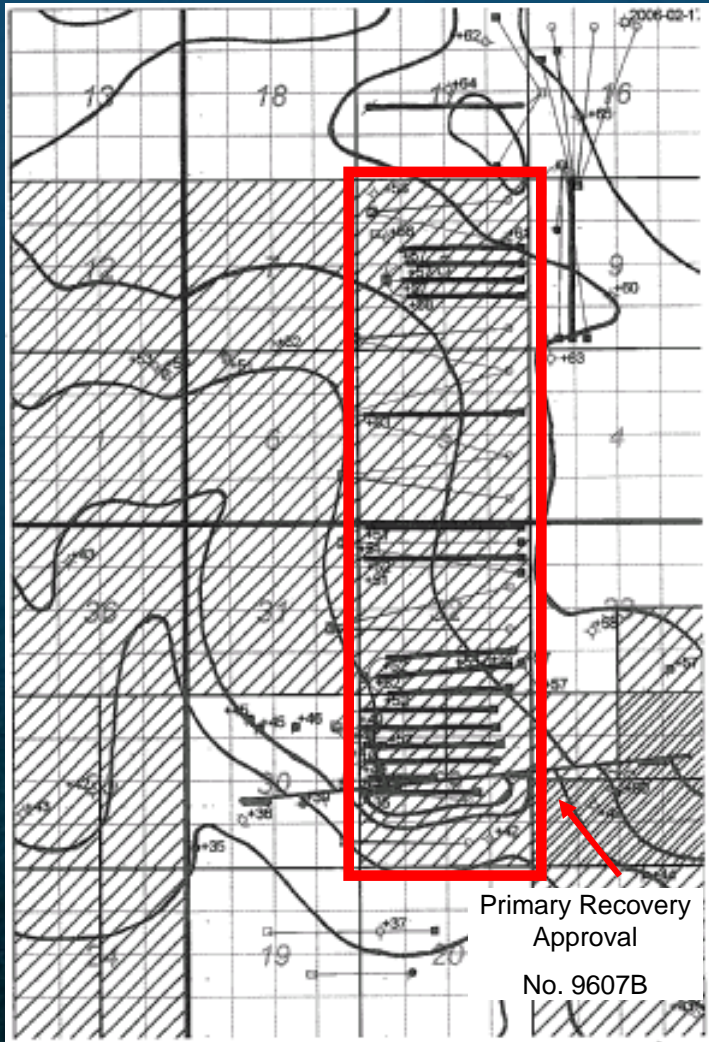
- 100% Penn West working interest
- 30×10^6 m³ OOIP
- Upwards of 17 m net sand pay
- Up to 33% porosity
- 25% water saturation
- Permeability 1 to 5 D
- Gravity 8 to 10 °API
- Viscosity 5,000 – 7,000 cp at 21 °C

T82

T81

Bluesky Structure Map

R15



- Channel trending North - South
- Pool is dipping structurally in the NE to SW direction
- Fault interpreted at south end of pool has been confirmed by drilling data

T82

T81

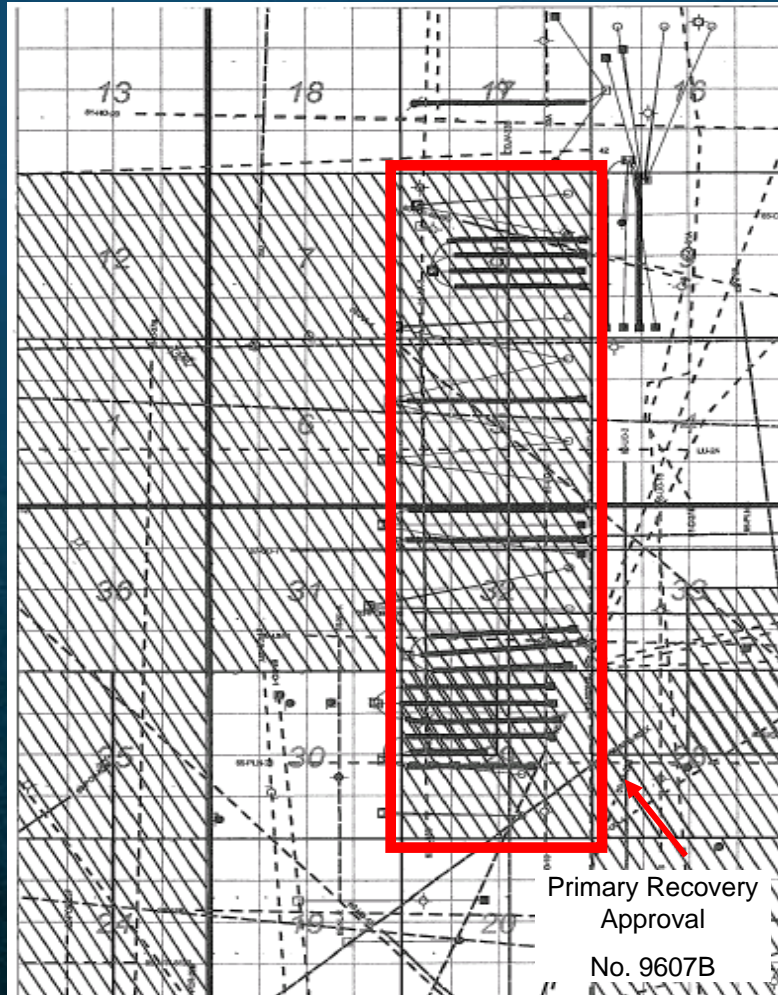


Seismic

R15

T82

T81

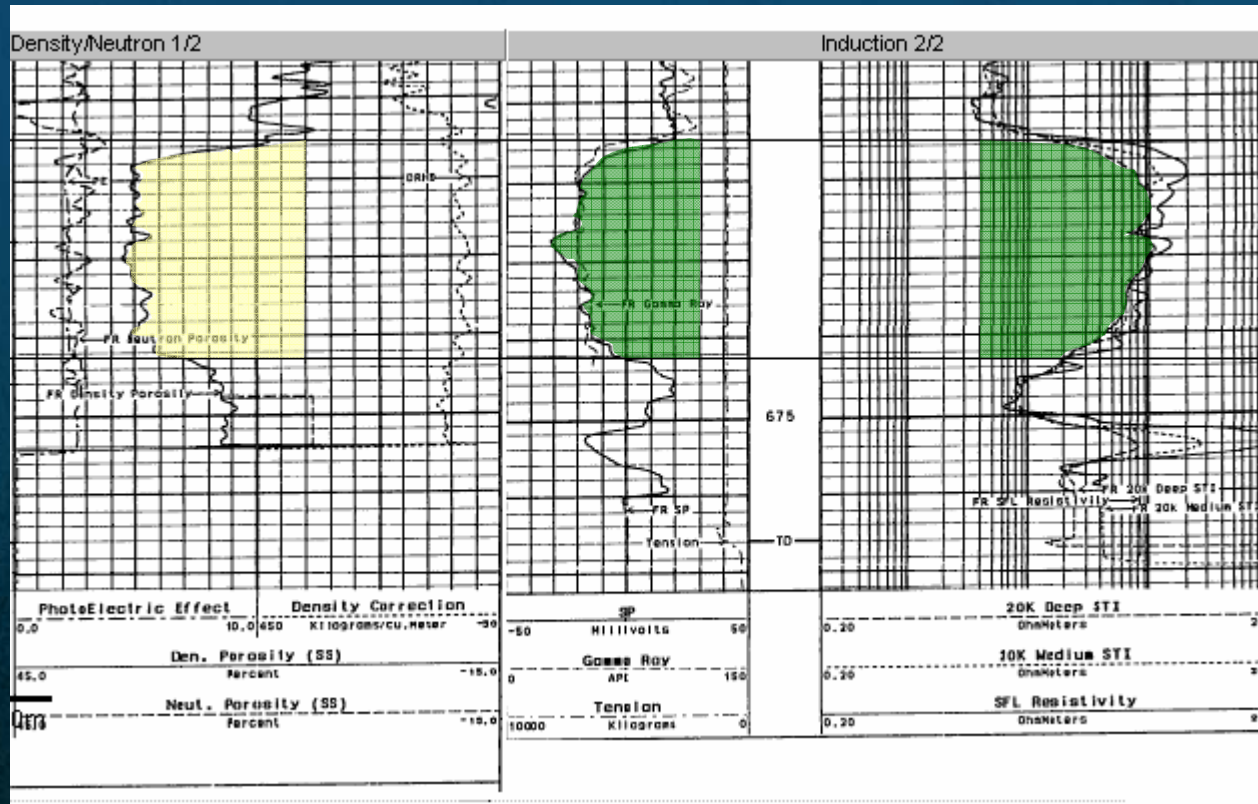


- Penn West has several 2D seismic lines over the pool
- Edge of pool has been identified, based on drilling to date Penn West is confident in seismic interpretations



Representative Bluesky Log

PWP 100/02-32-81-15W5

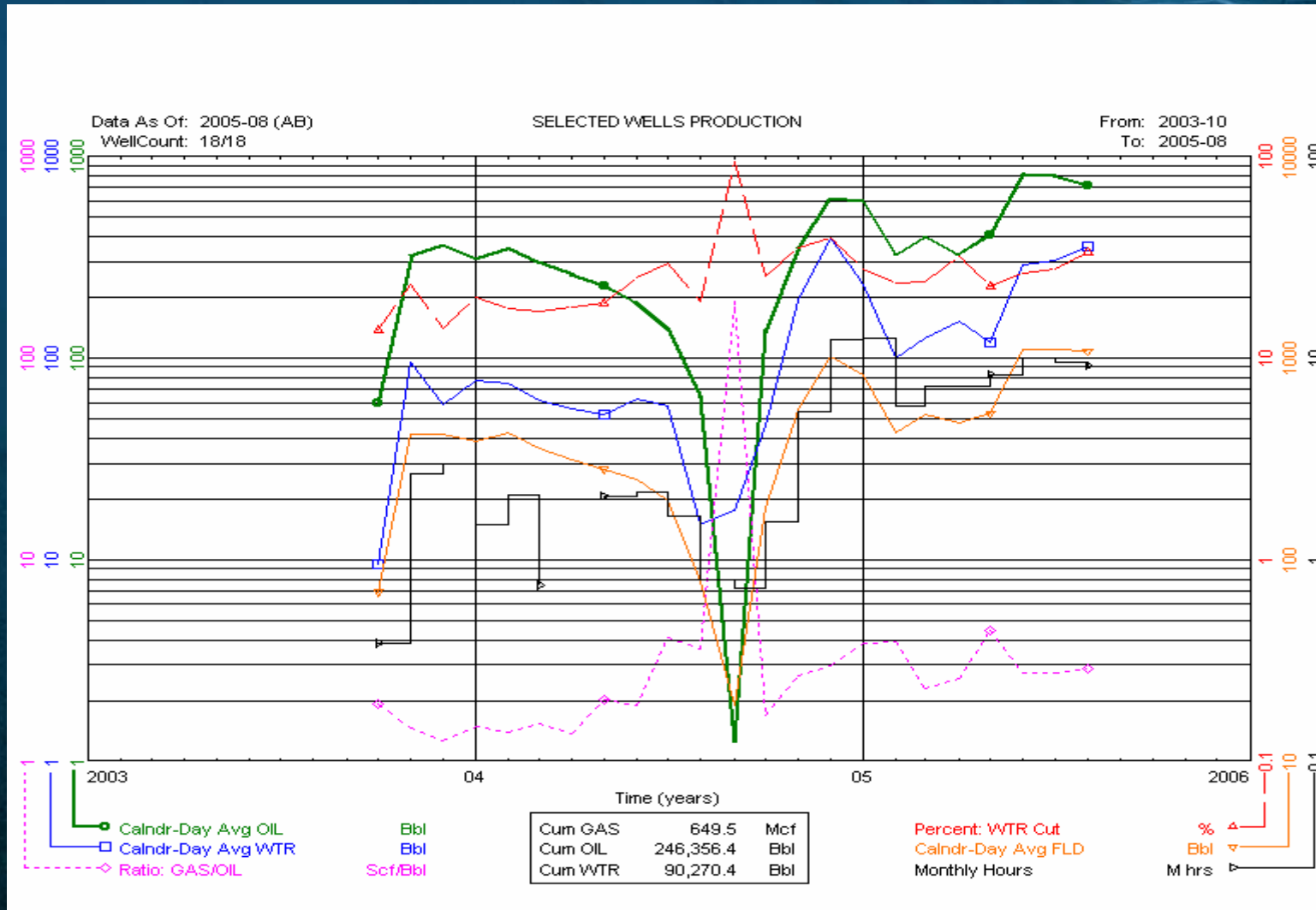


Penn West Development Plan

- Drilled two vertical stratigraphic test wells in January 2003
 - 00/02-32-81-15W5, 00/09-08-82-15W5
- Drilled four horizontal test wells in October 2003
 - 00/16-29-81-15W5, 03/01-32-81-15W5, 00/09-05-82-15W5, 00/08-08-82-15W5
- Drilled Q3/Q4 2004
 - 14 infill development horizontal wells on pads with multi-well facilities
 - 1 Debolt water disposal well with facilities
- Timeline for full scale development plans
 - Drill 24 infill development horizontal wells in Q4 2005 and Q1 2006
 - Build central battery and gathering pipelines in Q1/Q2 2006



Primary Recovery Results to Date



Primary Recovery Results to Date cont'

- 17 horizontal wells currently on production
 - Weather related operational issues affecting production rates
 - Average oil rates ~ 8 m³/day/well
 - Water cut 25-30%
 - Low sand cut
- Gas observed in 9-5-82-15W5 after 3 months production
 - Currently shut-in
 - Suspect gas is from below the Bluesky at the heel of the well (Gething)
 - Production test in February 2004 - 21hrs, ~ 22 x 10³ m³/day
 - Production test in July 2004 - 3 days, ~ 12 x 10³ m³ /day
- Production decline analysis suggests minimum 200 Mbbl/well of reserves under primary recovery
 - Based on 10%/yr decline from stabilized rate
 - Approximately 5% recovery factor (140 m drainage)



Compliance With Conditions of Approval

- All wells drilled/surveyed comply with Clause 2 of Approval 9607B
 - Minimum interwell distance of 140 m
 - Minimum 50 m buffer
- Construction practices
 - All pad site surveys/EFR's have been approved by Forestry and Fish & Wildlife
 - All industry, FMA, TPA and First Nations consultations and have been completed and MSL's received
 - Lease and access right away construction conforms with industry standards
- First Nations
 - Penn West recently met with the Woodland Cree to discuss current and future plans for the area



Compliance With Conditions of Approval Cont'

- Observed gas production
 - Horizontal well 9-5-82-15W5 was shut-in immediately after gas production above solution GOR was observed
 - P&NG rights acquired over Section 5
 - Penn West plans to put the 9-5 well back on production and conserve the gas once gathering pipelines are built
 - Penn West consulted crown both verbally and in writing prior to performing production tests
- Modeling/simulation etc.
 - Penn West has recently done some simulation modeling which requires some more detailed data to be gathered in order to complete
 - Penn West is committed to further investigation of the potential for secondary and tertiary recovery (Waterflood, SAGD, Down spacing, etc.)



Compliance With Conditions of Approval Cont'

- Environmental concerns/issues
 - Pad drilling with 3 to 5 wells per lease to reduce surface disturbance
 - Water disposal well reduced volume of trucked loads
 - Plans for central battery and gathering pipelines will significantly reduce disturbance from trucking
 - Proceeding with tie-in of casing gas for fuel gas purposes

