

July 11, 1997

Mr. Peter Minions
Engineering Manager
Oiltec Resources Ltd.
1825, 510 - 5th Street SW
Calgary, AB T2P 3S2

NEW MODEL APPROVAL FOR
ALL FUTURE SWD.

Dear Mr. Minions:

RE: APPLICATION FOR A SCHEME TO DISPOSE OF PRODUCED WATER
Oiltec Siphon 11-25-87-16 W6M; WA 4377

This refers to your application dated May 2, 1997, requesting disposal of produced water into the Lower Dunlevy Formation of the subject well.

Notice of your application was published in the June 12 and 19, 1997 issues of the British Columbia Gazette. No written objections were received. The application is approved as submitted.

Attached is Approval 97-02-007 for the application granted under Part 8, Division 3, section 97 of the Drilling and Production Regulation.

Yours sincerely,



Bou van Oort
Director
Engineering and Operations Branch

Attachment

Copies for Approval Letter to Industry (11)
RE: GEP, Salt Water Disposals, etc.

<input type="checkbox"/>	G. Miltenberger
<input type="checkbox"/>	Data Management
<input type="checkbox"/>	R. Stefik
<input type="checkbox"/>	D. Richardson (PGE)
<input type="checkbox"/>	P. Attariwala
<input type="checkbox"/>	G. Farr
<input type="checkbox"/>	S. Chicorelli (PGE)
<input type="checkbox"/>	Resource Revenue
<input type="checkbox"/>	59240
<input type="checkbox"/>	Wellfiles (originals)
<input type="checkbox"/>	Daily

APPROVAL 97-02-007

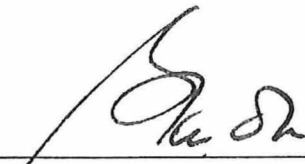
**PETROLEUM AND NATURAL GAS ACT
DRILLING AND PRODUCTION REGULATION
THE PROVINCE OF BRITISH COLUMBIA
MINISTRY OF EMPLOYMENT AND INVESTMENT
ENERGY AND MINERALS DIVISION**

IN THE MATTER of a scheme of Oiltec Resources Ltd. (Oiltec) for Salt Water Disposal (SWD) in the Lower Dunlevy Formation in the well Oiltec Siphon 11-25-87-16 W6M (WA 4377).

NOW, THEREFORE, pursuant to Part 8, Division 3, section 97 of the Drilling and Production Regulation, the SWD scheme is hereby approved, as such scheme is described in

an application from Oiltec to the Division dated May 2, 1997.

1. The water disposal interval must be in the Lower Dunlevy Formation.
2. A record of volume of salt water disposed of through this well must be included on a Monthly Injection/Disposal Statement, in the prescribed form, which should be submitted to the Energy and Minerals Division not later than the 25th day of the month following the reported month.
3. The disposal/injection pressure at the sandface must not exceed the formation fracture pressure.
4. This approval may be modified or rescinded at a later date if deemed appropriate through a change in circumstances.



Bou van Oort
Director
Engineering and Operations Branch

DATED AT the City of Victoria, in the Province of British Columbia, this 11th day of July, 1997.