



File No: 87906

October 6, 1987

POCO Petroleum Ltd.
600 Bow Valley Square 2
205 Fifth Avenue, S.W.
Calgary, Alberta
T2P 2V7

Attention: Mr. S. Laut, P. Eng.

Dear Sir:

Re: (Application for Concurrent Production) of Oil and Gas with GEP from
POCO North Buick d-17-H/94-A-14, Buick Creek, Dunlevy

WAT 6659

This acknowledges receipt of your application dated September 1, 1987, requesting permission for concurrent production of oil and gas under GEP for the well POCO North Buick d-17-H/94-A-14.

Based on a geological and engineering review, the Division has concluded that the subject well has been completed over two pools separated by a thin coal seam with bottom hole commingling. The well is completed in the gas zone in the Dunlevy "K" pool and the oil zone in the overlying Dunlevy "L" pool. The oil zone appears to be of a very limited areal extent. Attempting to isolate the two pools may jeopardize oil recovery. Therefore, the Division cannot approve a concurrent production scheme, but hereby approves commingling subject to the following conditions:

1. The approval applies to production from Dunlevy "K" and "L" Pools.

2. The oil allowable for the well is $10 \text{ m}^3/\text{d}$.

3. The gas allowable for the well in the gas spacing is $60 \times 10^3 \text{ m}^3/\text{d}$.

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4. All gas production will be conserved.
5. Production must be allocated to the producing formations on the B.C. S-1 forms as follows:
 - a. Dunlevy "L" Pool: Oil production with associated gas based on a GOR of 80 m³/m³.
 - b. Dunlevy "K" Pool: Remaining gas production as non-associated.
6. This approval could be modified at a later date if deemed appropriate through a change in circumstances.

Yours truly
Petroleum Resources Division

K.J. Hindmarch
Director, Engineering & Operations

PSA/lc

cc: D.L. Johnson
Bruce Garrison

bcc: P.K. Huus
MB HAMMERSLEY