

January 20, 1997

Ref: 970106
File: 7780-4800-59240-07

Blue Range Proj (02)

Mr. Scott Ferguson, P. Eng.
Manager, Operations
Blue Range Resource Corporation
1300, 800 - 5th Ave SW
Calgary AB T2P 3T6

Dear Mr. Ferguson:

**RE: APPROVAL FOR CONCURRENT PRODUCTION
SILVER HALFWAY "D" POOL**

This refers to your application of November 29, 1996 requesting that a Concurrent Production scheme be approved for the subject pool.

The Approval 97-07-001 is hereby granted under section 113 of the *Petroleum and Natural Gas Act*.

It should be noted that there are no equity concerns at this time, however, the project allowables may be revised downward if an oil well outside the project area is completed in the subject pool by another operator.

Yours sincerely,



B. van Oort
Director
Engineering and Operations Branch

Attachment

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

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

APPROVAL 97-07-001

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

IN THE MATTER of a Concurrent Production proposal of Blue Range Resource Corporation (BRRC) for producing the Silver Halfway "D" Pool with a project oil and gas allowable.

NOW, THEREFORE, the Division Head, pursuant to section 113 of the *Petroleum and Natural Gas Act* (the Act), hereby approves the Concurrent Production project of BRRC for oil and gas production with project allowables, as such project is described in

an Application from BRRC to the Division dated November 29, 1996, and related submission.

This project is approved, subject to the conditions herein contained and, in particular:

1. The area of the project shall consist of Units 38, 39, 48, and 49 of Block K/94-H-6.
2. The project oil allowable is 15.0 m³/d.
3. Gas production from the project will be limited to 15.0 10³m³ /d.
4. All associated gas production must be conserved.
5. Royalty-exempt oil production from the discovery well Blue Range Silver d-48-K/94-H-6 (WA# 8918) is limited to a volume of 3,002.1 m³ or the volume produced in the first 36 producing months, whichever is lesser. This volume cap may be subject to review and amendment following additional production data.
6. This approval may be modified or rescinded at a later date if deemed appropriate.



Bou van Oort, on behalf
of the Division Head
Energy and Minerals Division

DATED AT the City of Victoria, in the Province of British Columbia, this 20 day of January, 1997.