



Ref. No. 8822

1980 06 17

Kildonan Oil Ltd.
530 Three Calgary Place
355 - 4th Ave., S.W.
Calgary, Alberta
T2P 0J1

Attention: Mr. R. F. Shaw

Dear Sir:

RE: Concurrent Production and Good Engineering Practice
Kilo et al N Pine 6-13-85-18

for DEL report, revision to concurrent production allowable

This will acknowledge receipt of your application dated 1980 05 30 requesting a revision to the concurrent production allowables of gas and oil for the North Pine oil well Kilo et al N Pine 6-13-85-18.

Under a concurrent production scheme the gas and oil portions of the pool are considered together and GEP allowables granted for oil and gas. In the case of a gas cap well, the standard allowable formula with a minimum of $60 \times 10^3 \text{ m}^3/\text{d}$ does not necessarily apply. This approach is adopted in conformity with the principles of conservation and correlative rights.

The approved allowables of $4.8 \text{ m}^3/\text{d}$ (30 BOPD) and $15.1 \times 10^3 \text{ m}^3/\text{d}$ (535 MSCFD) for the 6-13 well were based on reserves. The well 6-24-85-18 is currently producing at slightly lower rates than its reserves based allowable. In order for the 6-13 well to obtain its equitable share of gascap gas it should be allowed to produce its gas allowable. In addition your proposal that oil recovery would be improved by a higher allowable is accepted. Consequently we are approving an oil allowable of $8.1 \text{ m}^3/\text{d}$ (51 BOPD) with gas production limited to $15.1 \times 10^3 \text{ m}^3/\text{d}$ (535 MSCFD). The other conditions of our approval of 1978 12 05 remain unchanged.

DOA revised to

Yours truly,

DOA unchanged

PETROLEUM RESOURCES BRANCH

A.G.T. Weaver
A. G. T. Weaver
Chief Engineer
(604) 387-5993

PSA:kel

cc: Mr. R. M. Pennell,
Kloepfer & Associates

App. sub. Petaligro