

Ministry of Energy, Mines and Petroleum Resources

Parliament Buildings Victoria British Columbia V8V 1X4

Reference No. 871182

bcc: PEN

December 18, 1987

Petro Canada Resources P.O. Box 2844 Calgary, Alberta T2P 3E3

PEX GEP Project 3 (5)

Attention: Mrs. K.E. Sendall, P.Eng.

Dear Madam:

Re: Application for Concurrent Production Under Good Engineering Practice - Osprey - Halfway 'E' Pool

This acknowledges receipt of your application dated November 6, 1987, requesting approval to concurrently produce oil and gas under Good Engineering Practice from the subject pool under Division 77 of the Drilling and Production Regulations.

The Division's geological interpretation indicates that the separation of Halfway oil pay in the d-43-J and d-33-J/94-A-15 wells into two separate pools (Halfway 'E' and Halfway 'F', respectively) may be questionable and may be subject to re-interpretation at a future date. This assessment is based on the adjusted elevation of the Peejay Trig. Station. Also, the Division recognizes the presence of a gas cap to the Halfway 'E' pool, most likely within the undrilled area, consisting of units 52, 53, 62 and 63, Block J/94-A-15. The exact size of the gas cap cannot be accurately determined on the basis of existing information.

Since, by current interpretation, the well d-43-J is the only well capable of production from the Halfway 'E' pool, your application for concurrent production is hereby approved, subject to the following conditions:

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- 1. The area of concurrent production and Good Engineering Practice is unit 43-J/94-A-15.
- 2. The daily oil allowable for the area is $15.9 \text{ m}^3/\text{d}$.
- 3. Gas production from the area will be limited to 14.1 10^3 m³/d.
- 4. Gas production will be conserved.
- 5. Annual bottom hole pressure measurements will be required in wells d-33-J and d-43-J/94-A-15.

This approval may be modified or rescinded at a later date based on a review of the production performance and results of the bottom hole pressures.

Yours truly,

E. R. Macgregor

Assistant Deputy Minister Energy Resources Division

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