ASSISTANT DEPUTY MINISTER

Ministry of Energy, Mines and Petroleum Resources

Parliament Buildings Victoria British Columbia V8V 1X4

PA

Ref. No. 89318.1 March 22, 1989

Mr. W. Wolodarsky OGY Petroleums Limited 904-675 West Hastings St. Vancouver, British Columbia V6B 1N2 Ogy Projet (03)

Dear Mr. Wolodarsky:

APPLICATION FOR CONCURRENT PRODUCTION FLATROCK WEST - HALFWAY "D" POOL

This refers to your application of February 13, 1989, requesting a concurrent production scheme from the Flatrock West Halfway "D" pool.

The Division's geological and engineering interpretation indicates this oil pool to be of limited areal extent. At this time, only the 3-34 and 10-34-84-17 oil wells are completed in the Halfway "D" pool. Also, the pool is believed to be isolated by either faulting or permeability barriers from other wells in the area. Accordingly, equity for adjacent land owners is not a concern.

OGY Petroleums Limited is hereby granted approval under Section 113 of the <u>Petroleum and Natural Gas Act</u> to produce oil and gas concurrently from the Halfway "D" pool of the Flatrock West Field, subject to the following terms and conditions:

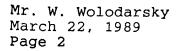
- 1. The area of approval is Section 34-84-17W6.
- 2. The daily oil allowable for the area is $32.1m^3$, this being the sum of individual daily oil allowables for the wells 3-34 and 10-34.
- 3. Gas production from the area (based on volumetric gas cap and solution gas reserves) will be limited to 17.5 103m3/d.

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- All gas production will be conserved.
- The effective date of the approval will be the date the Division is advised of completion of gas conservation facilities.
- The approval is subject to periodic review and may be modified at a later date by the Director, Engineering and Operations, if deemed appropriate through a change in circumstances.

Yours sincerely,

John Allan

Assistant Deputy Minister Energy Resources Division

CC: Mr. D.L. Johnson Manager of Field Operations Fort St. John

bcc: P. Attariwala

S. Foofat

S. Chicorelli

L. Macgregor