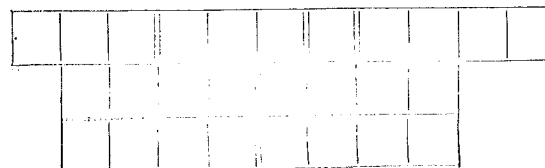


PETROLEUM RESOURCES BRANCH

April 30, 1976

Pacific Petroleum Ltd.,
Box 6666,
Calgary, Alberta
T2P 6T6



Attn: Mr. E.L. Molnar

Dear Sir,

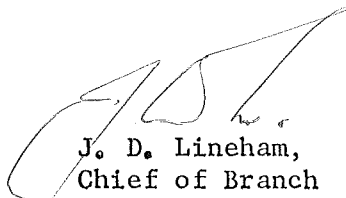
Re: Application for Concurrent Production
and Removal of MPR Restrictions North
Peejay Halfway Project

This will acknowledge receipt of your application of April 16, 1976 requesting approval for concurrent production, removal of MPR restrictions for the d-33-I well and waiver of off target penalty factors for the gas wells d-43-I and d-52-I in the North Peejay Halfway Project.

We are unable to approve the removal of MPR restrictions for the d-33-I well; however, we are prepared to approve your application for concurrent production subject to the following conditions:

1. The Project MPR of 42 STB/D is continued,
2. GOR penalty table 2500 will apply,
3. Off-target penalties for the gas wells are waived,
4. The PRL for each of the gas wells is 2 MMSCFD,
- 5. Gas production from d-33-I will be conserved,
6. This approval is effective when condition 5 is implemented,
7. This approval may be modified or rescinded at any time.

Yours truly,


J. D. Lineham,
Chief of Branch

BTB/sm
cc. D.L. Johnson
P.K. Huus

Sept 30, 1977.