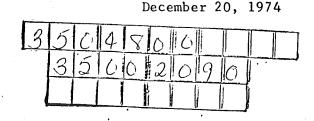


PETROLEUM RESOURCES BRANCH DEPARTMENT OF MINES AND PETROLEUM RESOURCES VICTORIA

Pacific Petroleums Ltd., P.O. Box 6666, Calgary, Alberta. T2P 6T6

Attention: Mr. J.G. Goemans

Dear Sir:



Re: Application for Concurrent Production Halfway Pool, Peejay West Field

Further to your application and our subsequent correspondence on the above subject we are prepared to approve in principle your application of August 22, 1974. Final approval will be contingent upon unitization of the oil pool and gas cap. This will be necessary in order to protect the equity of lease holders in the gas cap and in order to allocate oil production for roylaty pruposes.

Following unitization your concurrent production proposal would be approved subject to the following conditions.

- 1) Initially only the wells in d-44-G and d-54-G would be produceable. $\frac{15.6 \, \text{m}^{3}}{4} = \frac{15.6 \, \text{m}^{3}}{4} = \frac{15.$
- 2) A project MPR of 98 STB/D would be assigned on the basis of your estimated oil recovery of 341 MSTB (4.4% recovery factor).
- 3) All gas collected from the two wells and sold would be creditable against gas oil ratio penalty factors.
- 4) The well in d-73-G would be required to be completed as a pressure observation well.

5) The performance of the project would be reviewed after a t_{ρ}^{ν} year period.

We look forward to hearing from you regarding unitization of the pool. If you have any queries please do not hesitate to contact us.

Yours truly,

A.J. Dingley, Chief Engineer

AJD/gf

cc 350-48-035.002

FIELD Pegay Nest POOL Had	froy OPERATOR Pacific
UNIT OF PROJECT MPR REVISIONS EI	FFECTIVE DATE 11 11 11 11 11 11 11 11 11
CONDITIONS OF APPROVAL	##
(1) AMEND AREA Yes No (2) AMEND MPR Yes No (3) GAS CREDITS Yes No (4) WAIVE GOR FACTORS Yes No (5) COMMENCE UNIT PRODUCTION COINCIDENT WITH PRESSURE MAINTENANCE Yes No (6) RESTRICTIONS TO PRODUCTION OF INDIVIDUAL WELLS Yes No (6a) WELLS (D.A. #)	
WELLS IN UNIT OR PROJECT- 956, 1008	

WELLS WITHIN UNIT BOUNDARIES but EXCLUDED FROM MPR

WELLS WITHDRAWN FROM PRODUCTION

INJECTION WELLS

<u>GAS</u>

WATER