THE DEPARTMENT O

## MINES AND PETROLEUM RESOURCES PARLIAMENT BUILDINGS, VICTORIA, BRITISH COLUMBIA V8V 1X4

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PETROLEUM RESOURCES BRANCH

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

Attention: Mr. W.B. Baker.

Dear Sirs,

Concurrent Production West Peejay Halfway Pool

With reference to your application of February 17, 1976, the Petroleum Resources Branch hereby modifies its approval in principle of December 20, 1974 to allow concurrent production from oil wells d-44-G and d-54-G, 94-A-15 prior to unitization of the West Peejay oil pool and gas cap. The remainder of the conditions quoted in the December 20, 1974 will apply.

As part of this approval the units 44-G and 54-G, 94-A-15 will be designated a project area, with a project MPR of 98 STB/D, /15.6 m //d) effective on completion of gas gathering facilities. For royalty purposes oil production should be allocated to the two wells on the basis of 56.35% to d-44-G and 43.65% to d-54-G which are factors calculated from the original MPR's granted to the wells. Since both wells were completed prior to November 1, 1975, "old" oil royalty rates will be applicable. Gas prices will be quoted by British Columbia Petroleum Corporation.

We request that the progress of this project be reported on a annual basis and it is understood that the Branch may revoke or amend this approval at any time if warranted by prevailing circumstances.

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J. D. Lineham, Chief of Branch.

AGTW: bb

W.W. Ross, c.c. W.L. Ingram, D.L. Johnson,

Approvals Catalogue. V