



November 5, 1996

2400-4805-59240-07
961038

Mr. Brent A. Eshleman
Senior Development Engineer
Rigel Oil & Gas Ltd.
1900, Bow Valley Square 3
255 Fifth Avenue SW
Calgary AB T2P 3G6

RIGEL PROJ(02)

Dear Mr. Eshleman:

RE: CONCURRENT PRODUCTION AMENDMENT
BUICK CREEK LOWER HALFWAY "A" POOL

Revision #2

This is with reference to your application of September 24, 1996 for a GEP scheme.

Please note that the Ministry maps the well, b-36-I/94-A-11, within the Buick Creek Lower Halfway "A" pool which is currently producing under a Concurrent Production Scheme Approval, originally granted on June 1, 1978 and subsequently modified on February 2, 1983. Accordingly, the Concurrent Production Scheme Approval is being amended and the allowables set according to the Principle of Good Engineering Practice.

The Approval 96-07-007 is hereby granted under Section 113 of *the Petroleum and Natural Gas Act*. This replaces the existing Concurrent Production Approval.

This Approval is intended to allow drilling of horizontal oil wells within the project area in order to maximize oil recovery from the pool.

Yours sincerely,

Bou van Oort, P. Eng.
Director
Engineering and Operations Branch

Attachment

Copies for Approval Letters to Industry (10)
D.L. Johnson
Resource Revenue
P.S. Attariwala
R.G. Stefik
G. Farr
D. Richardson
S. Chicorelli
Daily
Well File
59070-04

APPROVAL 96-07-007

THE PROVINCE OF BRITISH COLUMBIA
PETROLEUM AND NATURAL GAS ACT
MINISTRY OF EMPLOYMENT AND INVESTMENT
ENERGY AND MINERALS DIVISION


IN THE MATTER of a Concurrent Production proposal of Rigel Oil & Gas Ltd. (Rigel) for producing the Buick Creek Lower Halfway "A" oil pool with a project oil and gas allowable and without spacing and target restrictions.

NOW, THEREFORE, the Division Head, pursuant to Section 113 of the *Petroleum and Natural Gas Act*, hereby approves an amendment to the concurrent production project of Rigel for gas and oil production with project allowables and for drilling horizontal wells without spacing and target restrictions, as such scheme is described in:

an Application from Rigel to the Division dated September 24, 1996 and related submission.

This project is approved, subject to the conditions herein contained and in particular:

1. The area of the project shall consist of units 36, 37 and 46 of Block I/94-A-11.
2. The requirements of Section 9 of the *Drilling and Production Regulation* are hereby waived, provided that oil wells within the scheme area are not completed nearer than 100 m to the sides of the approved area.
3. The project daily oil allowable is 95.1 m³.
4. Gas production from the project will be limited to 38.0 10³m³/d (based on 400 m³/m³ GOR).
5. All produced gas must be conserved.
6. This approval may be modified or rescinded at a later date if deemed appropriate.



Bou van Oort, on behalf of
the Division Head
Energy and Minerals Division

DATED AT the City of Victoria, in the Province of British Columbia, this 7th day of November, 1996.