



Copies for Approval Letters to Industry (11)
RE: Application for Concurrent Production

<input type="checkbox"/>	D.L. Johnson	<input type="checkbox"/>	Resource Revenue
<input type="checkbox"/>	Data Mgmt	<input type="checkbox"/>	P.S. Attariwala
<input checked="" type="checkbox"/>	R. Stefik	<input type="checkbox"/>	G. Farr
<input type="checkbox"/>	D. Richardson	<input type="checkbox"/>	S. Chicorelli
<input type="checkbox"/>	Wellfile (original)	<input type="checkbox"/>	Dally
<input type="checkbox"/>	59240-07	<input type="checkbox"/>	

May 22, 1996

960519
2000-6200-59240-07

Mr. Bob Fitch
Sr. Exploitation Engineer
Sceptre Resources Limited
2000, 400 - 3rd Ave SW
Calgary, AB T2P 4H2

Dear Mr. Fitch:

**RE: APPLICATION FOR CONCURRENT PRODUCTION
BOUNDARY LAKE - BELLOY 'L' POOL**

The ministry has reviewed the application by Sceptre Resources Limited (Sceptre), dated April 26, 1996, for concurrent production from the subject pool. Please note that the ministry now designates this as the "L" pool, not "I" as referenced in your application.

The only well presently producing from this pool is located at A14-6-84-13 (WA# 9516), completed in January 1996. As presented in your application, the reservoir showed no sign of pressure depletion following the February 2 to March 15 production test. Our assessment indicates that this pool may extend over several spacing areas, containing significant reserves. Test period data demonstrates that the production GOR may be rate sensitive. The proposed acceleration of production above the primary allowable may reduce the ultimate recovery of oil and would result in unacceptable waste of the resource by gas flaring.

Application for concurrent production is therefore denied as such an approval would be pre-mature at this time. Scheme approval may be pursued upon delineation and definition of the pool.

Based on the reservoir fluid study of February 1996, a revised daily oil allowable has been approved effective from the date of initial production, see attached. Please note that a Production Allowable Report - Crude Oil (Form PEN032) is required to be submitted to this office on a monthly basis.

Should you have any questions, please contact the undersigned at (604) 952-0311.

Sincerely,

P.S. Attariwala
A/ Manager Engineering
Engineering and Operations Branch

RS/mef

Attachment



APPLICATION FOR DAILY OIL ALLOWABLE (DOA)

Individual Well

Form to be submitted under the authority of the Petroleum and Natural Gas Act R.S.B.C. 1979, c. 323, Drilling and Production Regulation, s. 76(1), to the Energy Resources Division, Ministry of Energy, Mines and Petroleum Resources, at the address noted above. Information collected on this form will be used for public record in accordance with s.60 of the Drilling and Production Regulation.

Initial Application

Revision No. 1

Well Name				Sceptre et al Boundary A14-6-84-13		Well Authorization No.		9516	
Field				Boundary Lake		Pool		Belloy 'L'	
Factors		Nominal Values	Owner's Calculations		Division Calculations				
			Values Obtained from	Values Used in This Calculation					
Depth to top oil pay		mKb			1837.6				
Depth to bottom oil pay		mKb			1844.3				
Average net pay thickness	h	metres			4.6				
Average net porosity	φ	10%			12.9				
Average water saturation	C	25%			41.6				
Average shrinkage	S	0.75			0.822				
Recovery factor	R	20%			20				
Expected uniform rate life	L	10 years			10				
Assigned area	A	hectares			66.0				
Unadjusted Daily Oil Allowable = $(h) \left(\frac{\phi}{10} \right) \left(\frac{100 - C}{75} \right) \left(\frac{S}{0.75} \right) \left(\frac{R}{2L} \right) \left(\frac{A}{31.05} \right) = m^3/d$					10.8				
Name				Position					
Signature				Company					
Date		Phone No.			FAX No.				

APPROVAL (for ministry use only)

Off-target penalty factor	1.00	Daily oil allowable	10.8	m ³ /d, before gas-oil ratio penalty.
<small>(minimum UDOA is in accordance with Schedule 3 of the Drilling and Production Regulation)</small>				
Date Effective	February 1, 1996			
Field	Boundary Lake	Pool	Belloy 'L'	
Approval Date	May 21, 1996			