



Province of
British Columbia

Ministry of
Energy, Mines and
Petroleum Resources

1810 Blanshard Street
Victoria
British Columbia
V8V 1X4
Phone: (604) 952-0302 FAX: (604) 952-0291

6th Floor, 1810 Blanshard Street, Victoria, British Columbia V8V 1X4

February 16, 1996

960225
6460-4520-59240-06

Apache Proj (02)

Mr. Barry Johnson
Sr. Staff Reservoir Engineer
Apache Canada Ltd.
1000, 700-9th Ave SW

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

Dear Mr. Johnson:

**RE: GOOD ENGINEERING PRACTICE, AMENDMENT#1
OAK- CECIL "I" POOL**

Branch staff have reviewed a letter from Encal Energy Ltd. (Encal), dated February 6, 1996, requesting that wells in the subject GEP, operated by Apache Canada Ltd. (Apache), be restricted to their primary daily oil allowables.

The original intent of the GEP approval was to encourage production of lower GOR wells while allowing accelerated pool production to collect data for a future pressure maintenance scheme. There were no equity concerns at the time of the GEP approval, however, this has changed as Encal has successfully completed oil wells outside the GEP area in the Oak Cecil "I" pool.

Therefore, we wish to inform you that the GEP approval #95-06-002 (Amendment #1) is effective March 1, 1996. The project oil allowable will be limited to 40.0 m³/d and the Apache well located at 1-29-86-17W6M will be limited to a DOA of 10.0 m³/d.

We still encourage the stakeholders to work towards an agreement for pressure maintenance of this pool.

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

Yours sincerely,

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

RS/mef

cc: W. V. Bradley, Manager, Engineering and Operations
ENCAL ENERGY LTD.

NOTE

← CC: Encal

APPROVAL 95-06-002 (AMENDMENT #1)

**THE PROVINCE OF BRITISH COLUMBIA
PETROLEUM AND NATURAL GAS ACT
DRILLING AND PRODUCTION REGULATION
MINISTRY OF ENERGY, MINES AND PETROLEUM RESOURCES
ENERGY RESOURCES DIVISION**

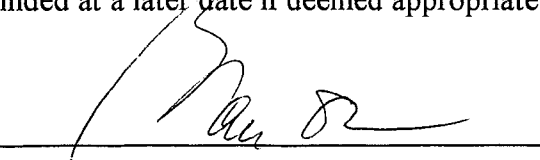
IN THE MATTER of a Good Engineering Practice (GEP) scheme of Apache Canada Ltd. (Apache) for producing the Oak Cecil "I" Pool with a project oil allowable.

NOW, THEREFORE, the Division Head, pursuant to Part 8, Division 6, section 104 of the *Drilling and Production Regulation*, hereby approves an amendment to the GEP scheme of Apache for oil production with a project allowable, as such scheme is described in:

an Application from Dekalb Energy Canada Ltd. to the Division dated February 10, 1995, and related submission.

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

1. The area of the scheme shall consist of W/2 section 28, SE/4 section 29 and SW/4 section 33-86-17 W6M.
2. The project oil allowable will be limited to 40.0 m³/d, being the sum of the individual allowables.
3. Production from the lease line well 1-29-86-17W6M (WA 8754) shall be limited to an individual well daily oil allowable of 10.0 m³/d.
4. The effective date of this approval shall be March 1, 1996.
5. An oil well may be drilled anywhere within the project area provided that it is not nearer than 100 m to the sides of the approved area.
6. Royalty free oil production from the discovery well 14-28-86-17W6M (WA 8650) is limited to a total volume of 11,756 m³ or the volume produced in the first 36 producing months, whichever is lesser.
7. This approval may be modified or rescinded at a later date if deemed appropriate.


B. van Oort, on behalf of
the Division Head
Energy Resources Division

DATED AT the City of Victoria, in the Province of British Columbia, this ^{16th} day of February, 1996.