



August 4, 1988

Ref. No. 88872

bcc: D.L. Johnson, Field Office  
Resource Revenue  
Approvals ✓  
Reservoir Geology

Mr. L. Seymour  
Canadian Hunter Exploration Ltd.  
435 - 4th Avenue S.W.  
Calgary, Alberta  
T2P 3A8

*Canhunter Proj (02)*

Dear Mr. Seymour:

**APPLICATION FOR GOOD ENGINEERING PRACTICE  
FOR THE CADOTTE, FALHER A, FALHER B  
BASAL BLUESKY FORMATIONS: NOEL FIELD**

Notice of your application dated May 5, 1988, to produce gas wells under Good Engineering Practice (GEP) from the Cadotte, Falher A, Falher B and Basal Bluesky formations in the subject field was published on June 30 and July 7, 1988, in the British Columbia Gazette.

As no written objections were received by July 21, 1988, the application is hereby approved under Division 77 of the B.C. Drilling and Production Regulations, subject to the following conditions:

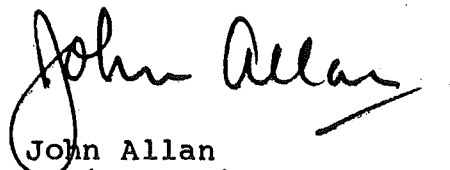
1. The area of Good Engineering Practice is as follows:
  - 93-P-1: Block L, units 12-20, 22-30, 32-40, 42-50, 52-60, 62-70, 72-80, 82-90, 92-97 and 100.
  - 93-P-2: Block I, units 11, 21, 31, 41, 51, 61, 71, 81, 91.
  - 93-P-7: Block A, units 1, 12-15 and 22-25.
  - 93-P-8: Block D, units 2-7, 10, 14, 15, 24, 25, 34-37, 44-47, 54-57 and 64-67.

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2. The individual Unadjusted Daily Gas Allowable (UDGA) restrictions for existing wells are removed (780 E3M3/D).
3. To ensure that the gas royalty exemption is not misused, future wells qualifying for gas royalty exemption drilled within the GEP area will be assigned their individual daily gas allowables for the duration of this royalty exempt period.
4. Segregation must be maintained at all times between Cadotte, Falher and Basal Bluesky formations as set out in Division 44.06 of the B.C. Drilling and Production Regulations.
5. An annual progress report for the GEP should be submitted. The progress report should contain the following:
  - . list of monthly and daily gas, condensate and water production;
  - . summary of work performed on the wells;
  - . annual subsurface pressures on all wells.
6. This approval may be modified at a later date if deemed appropriate due to a change in circumstances.

Please note that interim UDGA's issued for wells in the area are hereby rescinded.

Yours sincerely,



John Allan  
Acting Assistant  
Deputy Minister  
Energy Resources Division

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