



January 25, 1995

6460-4520-59240-06  
950082

Mr. Terry Meek  
Senior Exploitation Engineer  
Encal Oil and Gas Ltd.  
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Calgary, Alberta  
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Encal pros  
(03)  
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Approval Letters to Ind

D.L. Johnson  
P.S. Attariwala  
R.G. Stefik  
G. Farr  
D. Richardson  
S. Chicorelli  
Daily  
Well File  
ORCS  
Data Management  
Resource Revenue

Dear Mr. Meek:

**RE: APPLICATION FOR GOOD ENGINEERING PRACTICE (GEP)  
OAK CECIL "E" POOL**

Attached is a GEP scheme approval for the subject pool as requested in your application of December 22, 1994. The Approval #95-06-001 is hereby granted under Part 8, Division 6, section 104 of the British Columbia *Drilling and Production Regulation*.

We have inserted a production schedule under condition #2 to account for overproduction from all oil wells except for the oil well 5-28-86-16 W6M. In order to avoid creating a secondary gas cap, only the low GOR wells should be produced. This GEP approval will provide operational flexibility to properly manage the reservoir.

To maximize ultimate recovery from this pool, a pressure maintenance scheme must be started at an early date. A pressure maintenance scheme, based on the technical merits, will receive early approval. It should also be noted that all overproduction will be eliminated on startup of a pressure maintenance scheme. In addition, a higher oil allowable may be justified due to higher anticipated oil recovery from the pool.

Yours sincerely,

B.E. Hanwell, P. Eng.  
Director  
Engineering and Operations Branch

cc: D.L. Johnson  
D. Stangeland (Resource Revenue)

APPROVAL 95-06-001

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 Encal Oil and Gas Ltd. (Encal) for producing the Oak Cecil "E" 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 the GEP scheme of Encal for oil production with project allowable, as such scheme is described in:

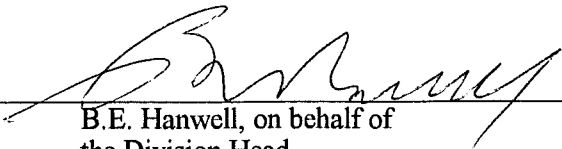
*an Application from Encal to the Division dated December 22, 1994 and related submission.*

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

1. The area of the scheme shall consist of SE/4 and N/2 section 20, W/2 section 28, E/2 section 29, and section 33-86-18 W6M.
2. The project oil allowable, being the sum of the individual well allowables, is 100.8 m<sup>3</sup>/d. To retire overproduction, the following production schedule must be adhered to:

Effective Date	Project Oil Allowable
1 Jan 1995	17.9
1 Feb 1995	27.9
1 Mar 1995	53.2
1 Apr 1995	69.3
1 Aug 1995	79.3
1 Oct 1995	89.3
1 Feb 1996	100.8

3. This approval may be modified or rescinded at a later date if deemed appropriate.
4. Royalty free oil production is limited to 7486.5 m<sup>3</sup> (16.1 m<sup>3</sup>/d for the remaining 15 months of the 36 months royalty exempt period for the discovery well 14-28-86-18 W6M).

  
B.E. Hanwell, on behalf of  
the Division Head  
Energy Resources Division

DATED AT the City of Victoria, in the Province of British Columbia, this 25<sup>th</sup> day of January, 1995.