



Province of  
British Columbia

Approval letters to industry

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bcc: D.L. Johnson  
Resource Revenues  
Data Management  
S. Foofat  
D. Richardson  
S. Chicorelli  
Wellfile  
Daily  
FILE

British Columbia  
V8V 1X4

May 28, 1993

930502  
1260-4100-59240-06

Mr. Barrett R. Hanson, P. Eng.  
Senior Petroleum Engineer  
Excel Energy Inc.  
1500, 340 12th Avenue S.W.  
Calgary, Alberta  
T2R 1L5

*(denied)*

Dear Mr. Hanson:

**RE: APPLICATION FOR GOOD ENGINEERING PRACTICE AREA  
BIRCH BALDONNEL "C" OIL POOL**

This acknowledges receipt of your application dated April 29, 1993, requesting approval for a Good Engineering Practice (GEP) area.

The proposed GEP area covers only a portion of the Birch Baldonnel "C" pool. Included in the application were letters of objections to the proposed GEP scheme approval from some of the offsetting operators of oil wells. During our meeting of February 25, 1993, in Victoria, it was pointed out that correlative rights would be a major concern and should be addressed in the final application.

As correlative rights are still an issue, all oil wells within the proposed GEP area would need to be restricted to their individual daily oil allowables as all wells are lease line wells (ref: Part 8, Division 1, section 76(8) of the B.C. Drilling and Production Regulation). This means that even if the GEP was approved with a project oil allowable, no well within the project area would be able to exceed its individual daily allowable. Therefore, approving this GEP would not provide any operational flexibility. Consequently, your request for a GEP area allowable cannot be considered at this time.

An option for Birch Baldonnel "C" pool at this time is to make a joint application by all operators of developed spacing for a GEP area allowable in the pool. In such a case, the correlative rights are not an issue and reserve based oil allowable for the project area would be approved.

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It should be noted that after the pool is adequately delineated by future drilling and the performance indicates that the individual well allowables are a restriction, a GEP application for larger area would receive favourable consideration.

Please feel free to contact Peter Attariwala at (604) 356-2751 for any other information that you may require.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Bou van Oort". The signature is written in a cursive style with a prominent initial "B" and "O".

Bou van Oort  
Acting Director  
Engineering and Operations Branch

PSA/mef