



November 25, 1996

961198  
5870-8200-59240-06

Gulf Project (02)

Ms. Hillary A. Foulkes  
Geologist, Northern Alberta-BC  
Gulf Canada Resources Ltd.  
P.O. Box 130  
Calgary AB T2P 2H7

Dear Mr. Foulkes:

**RE: GOOD ENGINEERING PRACTICE APPROVAL**  
**MIDWINTER JEAN MARIE FORMATION** A1

Attached is a Good Engineering Practice (GEP) scheme approval for the subject area as requested in your application of October 22, 1996.

The Approval 96-06-002 is hereby granted under Part 8, Division 6, section 104 of the British Columbia *Drilling and Production Regulation*.

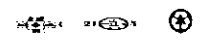
This approval is intended to allow operational flexibility for drilling horizontal wells without spacing and target considerations while maximizing gas recovery.

Yours sincerely,

for Bou van Oort, P. Eng.  
Director  
Engineering and Operations Branch

Attachment

- 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



APPROVAL 96-06-002

**THE PROVINCE OF BRITISH COLUMBIA**  
**PETROLEUM AND NATURAL GAS ACT**  
**DRILLING AND PRODUCTION REGULATION**  
**MINISTRY OF EMPLOYMENT AND INVESTMENT**  
**ENERGY AND MINERALS DIVISION**

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IN THE MATTER of a Good Engineering Practice (GEP) scheme of Gulf Canada Resources Limited (Gulf) for producing the Midwinter Jean Marie gas formation without spacing and target restrictions.

NOW, THEREFORE, the Division Head, pursuant to Part 8, Division 6, section 104 of the *Drilling and Production Regulation*, hereby approves the GEP project of Gulf for drilling horizontal wells without spacing and target restrictions, as such scheme is described in:

*an Application from Gulf to the Division dated October 22, 1996 and related submission.*

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

1. The area of the scheme shall consist of:

94-P-15: Block A- Units 36-39, 46-49, 56-59, and 66-69

Block F- Units 32-37, 42-47, 51-59, 61-69, 71-79, 81-89, and 91-95

Block G- Units 60, 70, 76-80, 86-90, and 100

Block J- Units 10, 18-20, 28-30, 32-40, 42-50, 58-60, 68-70, 76-80, 86-90,  
and 96-100

Block K- Units 1-5, 11-19, 21-29, 31-39, 41-49, 51-60, 61-70, 71-80, 81-90,  
and 91-100

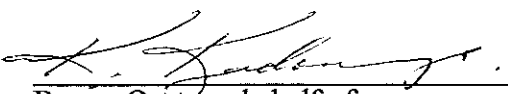
Block L- Units 51-59, 61-69, 71-79, 81-89, and 91-99

95-A-2: Block B- fractional Units 6, 7, 8, 9, and 10

Block C- fractional Units 1, 2, 3, 4, 5, 6, 7, 8, 9, and 10

Block D- fractional Units 1, 2, 3, 4, 5, 6, 7, 8, and 9

2. The requirements of section 10 of the *Drilling and Production Regulation* are hereby waived, provided that gas wells within the scheme area are not completed nearer than 250 m to the sides of the approved area.
3. The gas wells within the project area may be produced without individual well allowable restrictions.
4. This approval may be modified or rescinded at a later date if deemed appropriate.

  
for. B. van Oort, on behalf of  
the Division Head  
Energy and Minerals Division

DATED AT the City of Victoria, in the Province of British Columbia, this 25<sup>th</sup> day of November, 1996.