

1978 08-29

Imperial Oil Limited
Production Department
500 - Sixth Avenue S.W.
Calgary, Alberta
T2P 0S1

Attention: Mr. J.E. Lee, P. Eng.,
Reservoir Engineering Manager

Dear Sir:

Re: Application For Good Engineering Practice, Junior Area

We acknowledge receipt of your letter of July 12, 1978 requesting approval of a G.E.P. area and gas allowables of 10 MMCF/D for each of the wells c-81-C and c-98-C/94-I-11 for an interim period of at least one and a half years.

According to our records the well c-81-C is located on Drilling Reservation 380. Until a lease selection is made including this well, it may not be produced except with the approval of the Minister under Section 135 of the Petroleum and Natural Gas Act for a period not exceeding ninety days. Consequently, at this time, it cannot be considered for inclusion in a GEP area or for a gas allowable.

However; if we assume that leases are selected to cover the area of the pool containing the c-81-C well, then a G.E.P. area consisting of complete spacing areas and covering the areas of the c-81-C pool and the c-98-C pool (as shown on Figure 2 attached to your letter) could be approved. The allowable for this G.E.P. area which the Branch would approve is 10.988 MMCF/D (3.537 MMCF/D for the c-98-C pool and 7.451 MMCF/D for the c-81-C pool based on Branch estimates of recoverable reserves in the pools assuming water influx as experienced by all other Slave Point pools on the reef front).


Again if Imperial makes application to the Branch for relaxation of the regulations pertaining to the overproduction of gas (memo to All Operators of 1978 01 24 re Administration of Production Allowables), then gas could be produced at a daily rate of 13.735 MMCF/D (125 percent of the assigned daily gas allowable). If this concession is granted, production rates would require downward adjustment at other times in order that the annual production does not exceed the daily gas allowable multiplied by 365.

We trust that the foregoing information is sufficient for your design of facilities and we look forward to receipt of a revised application after you have made your lease selection.

With reference to item 4 of your letter in which you suggest that depletion of the reservoir will enable you to re-evaluate reserves, it has been the experience of the Branch that, in water-driven gas reservoirs, pressure depletion can indicate erroneously high values for gas in place.

Yours truly,

PETROLEUM RESOURCES BRANCH


A.G.T. Weaver
Chief Engineer
(604) 387-5993

BTB:bm