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Ref. No. 5228

Mobil Propert (02)

1978 05 31

Mobil Oil Canada, Ltd. P.O. Box 800 Calgary, Alberta T2P 2J7

Attention: Mr. H.S.H. Aitken, P. Eng.,

Engineering Manager.

Dear Sir:

Re: Application for Good Engineering Practice Sierra Field - Pine Point "A" Pool

With reference to your application dated March 28, 1978 and a subsequent meeting of Mobil and Branch staff on April 19 to discuss the method used by Mobil to establish porosity in the pool, we enclose a copy of the approval of the application.

The Branch's latest estimate of recoverable raw gas from the pool is 492.1 BSCF and the allowable approved under GEP is 136.694 MMSCF/D. The factors employed to derive the recoverable reserve are discussed in the attached review by the reservoir geology and reservoir engineering sections. In addition, the review discusses the reasons why the Branch is unable to accept the gas-in-place indicated by the pressure-production performance plot.

As you are aware from our Memo to All Operators dated January 24, 1978 the Branch is prepared, on application, to approve a monthly gas volume up to 125 percent of the assigned daily gas allowable mutiplied by the number of days in the month. When you make your decision on the size of the expansion of the Sierra plant, you may wish to consider this option both for the Pine Point "A" Pool and for other wells you may connect to the plant.

Yours truly,

PETROLEUM RESOURCES BRANCH

A.G.T. Weaver

Chief Engineer

(604) 387-5993

BTB: bm

c.c. D.L. Johnson

W.L. Ingram

P.K. Huus V