



July 4, 1990

Mr. G.L. Hood  
Director, Engineering  
Phillips Petroleum Resources, Ltd.  
2800, 144 Fourth Avenue S.W.  
Calgary, Alberta  
T2P 3N4

(PPRL)  
Phillips Project  
(03)

Dear Mr. Hood:

**APPLICATION FOR GOOD ENGINEERING PRACTICE:  
STODDART WEST BELLOY 'C' POOL**

This refers to your application of April 10, 1990, requesting approval for Good Engineering Practice for thirteen oil wells on your own acreage in the above-mentioned pool.

The primary purpose of this application was to allow for produced gas reinjection into the well 14-26-85-20 W6M, and the optimization of productive capacity from high Gas Oil Ratio wells.

Notice of your application was published in the British Columbia Gazette of May 17, 1990, and your information letter of May 9, 1990, to the major offsetting operators has been noted. No formal objections have been received as a result of these communications. On this basis, and the general technical merits you have put forth, the application is hereby approved under Division 77 of the Drilling and Production Regulation subject to the following conditions:

1. The area of Good Engineering Practice consists of:

Section 26, Township 85, Range 20 W6M;  
Section 35 (west half), Township 85, Range 20 W6M; and  
Section 2 (south half), Township 86, Range 20 W6M.

2. The project daily oil allowable will be 193.7 m<sup>3</sup>/d (equivalent to the sum of individual well allowables on this date within the project area).
3. All produced gas in excess of that required for lease fuel will be injected. All such gas injection will be deducted from produced gas in calculating Gas Oil Ratios for oil allowables.
4. The effective date of this approval will be the day we are advised of the gas injection facilities becoming operational.
5. An annual progress report will be filed with the Division within sixty (60) days of the end of the report year. This report will contain the following:
  - (a) the daily average rate, during each month, of the oil production from each producing well and the Project as a whole;
  - (b) the average GOR and WOR, during each month, from each producing well and from the Project as a whole;
  - (c) the monthly and cumulative gas, oil and water production from each producing well and from the Project as a whole;
  - (d) the daily average rate of gas injection, during each month;
  - (e) the average wellhead injection pressure, during each month;
  - (f) the monthly and cumulative volumes of gas injected;

*eff.  
March 12/91  
(see attached letter)*

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- (g) details of any reservoir pressure surveys made during the report period, together with appropriate isobaric maps and volumetrically weighted average Project pressures (at least one such survey per year is required, with adequate areal coverage);
- (h) details of any workover or well treatment programs carried out during the report period;
- (i) a general review of operations during the report period.

This approval may be modified at a later date by the Director, Engineering and Operations Branch, if deemed appropriate through a change in circumstances.

Yours sincerely,

ORIGINAL SIGNED BY  
JOHN ALLAN

John Allan  
Acting Deputy Minister