



May 13, 1991

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Mr. Brian T. Moreland
Poco Petroleum Ltd.
P.O. Box 4365
Postal Station C
Calgary, Alberta
T2T 5N2

*Revised
Poco Project (02)*

Dear Mr. Moreland:

**Re: Application for Revision to the GEP with Produced
Gas Re-injection; Stoddart West Belloy "C" Pool**

This is in response to your application of April 11, 1991 requesting modifications to the Good Engineering Practise (GEP) approval. The purpose of this request is to acquire operating flexibility by shifting individual well daily oil allowables to a project allowable and by applying the gas-oil ratio penalties on net gas production.

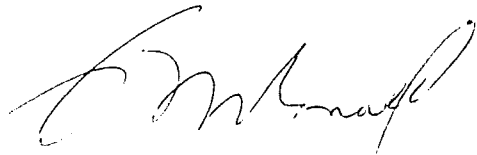
We concur with Poco that the request for more operational flexibility is warranted and will also be consistent with other GEP approvals within this pool. Consequently, conditions #2, 3, and 4 of the approval of October 16, 1987 are hereby replaced by the following conditions:

2. The project daily oil allowable will be 67.4 m³/d (equivalent to the sum of individual well allowables within the project area).
3. All gas injected will be deducted from produced gas in calculating the gas-oil ratio for oil allowables.
4. An annual progress report for the GEP should be submitted starting in June 1992. It should contain at least the following information:
 - 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;
- g. Details of any workover or well treatment during the report period;
- h. A general review of operations during the report period.

All other conditions of the approval remain unchanged.

Yours sincerely,



B.E. Hanwell
Director
Engineering and Operations
Branch

PSA/jp

cc: D.L. Johnson
S. Foofat
S. Chicorelli
K. Thompson