

OIL AND GAS COMMISSION

February 7, 2000

3440-6250-59240-09 OGC-000051

Mr. Brent J. McGillivray, P.Eng. Engineer, Exploitation Anderson Exploration Ltd. 1600, 324 - 8th Ave SW Calgary, AB T2P 2Z5

Home East Eagle Unit #1 (02)

Dear Mr. McGillivray:

Re: WATERFLOOD PRESSURE MAINTENANCE APPROVAL, AMENDMENT #5 EAGLE, BELLOY-KISKATINAW POOL

The Commission has reviewed the application from Anderson Exploration Ltd., dated December 15, 1999, requesting amendments to the waterflood pressure maintenance approval for the subject pool.

Due to unresolved issues concerning ownership and geologic pool mapping, the area of the pressure maintenance approval can not at this time be extended beyond the area of the original Unit. Wells outside of the project remain constrained by their individual well daily allowables.

Approval is granted to alter two additional wells, 13-26 and 16-27-84-18 W6M, to water injection service. This should aid in oil recovery from the pool. The project daily oil allowable has been recalculated and increased, based on reserves.

Attached is Approval 85-09-001 (Amendment #5) for the application, granted under Section 100 of the Petroleum and Natural Gas Act.

Sincerely,	Approval Letters to Industry GEP, SWD, CONCURRENT PROD, PRESSURE MAINTENANCE, WATERFLOOD, ETC.
B. van Oort, P. Eng. Director Engineering and Geology Branch	Copy Wellfile (originals) 59240 Daily Resource Revenue R. Stefik
Attachment	G. Farr P. Attariwala C. Gibson D. Krezanoski
ENGINEERING AN PO Box 9329 Stn Prov Gov't, Victoria BC V8V	S. Chicorelli

APPROVAL 85-09-001 (AMENDMENT #5)

THE PROVINCE OF BRITISH COLUMBIA PETROLEUM AND NATURAL GAS ACT OIL AND GAS COMMISSION

IN THE MATTER of a pressure maintenance scheme of Anderson Exploration Ltd (Anderson) for waterflood recovery of oil by water injection into the Eagle Belloy-Kiskatinaw Pool.

The approval granted pursuant to Section 100 (previously Section 116) of the Petroleum and Natural Gas Act, R.S.B.C. 1996, c.361 is hereby amended as follows:

The pressure maintenance scheme of Anderson for waterflood recovery of oil from the Eagle Belloy-Kiskatinaw Pool as described in the application dated October 16, 1985 and modified May 5, 1986, April 3, 1987, February 9, 1990 and September 21, 1998, is hereby amended, subject to the terms herein contained:

- 1. The project area of the pressure maintenance scheme consists of NE/4 sec 21, sec 22, SW/4 & N/2 sec 23, sec 25, sec 26, sec 27, SE/4 sec 28, S/2 & NW/4 sec 35 and SW/4 sec 36 of Twp 84 Rge 18 W6M.
- 2. The reserves based project daily oil allowable is 672.5 m³.
- 3. Water may be injected into the Eagle Belloy-Kiskatinaw pool through the wells located at 14-22, 15-22, 7-23 (bottom-hole location 10-23), 11-25, 15-25, 2-26, 10-26 (bottom-hole location 9-26), 13-26, 8-27 and 16-27-84-18 W6M.
- 4. An oil well may be drilled anywhere within the project area provided that it is not nearer than 100 m to the sides of the project area.
- 5. All associated produced gas must be conserved.
- 6. The injection pressure measured at the sandface must not exceed the formation fracture pressure.
- 7. Progress reports shall be filed as stipulated in Section 8 of the Petroleum and Natural Gas General Regulation.
- 8. The operations of the pressure maintenance scheme will be subject to periodic review and modification to the approval may be ordered, if deemed appropriate.

Bou van Oort

Director

Engineering and Geology Branch

DATED AT the City of Victoria, in the Province of British Columbia, this 3 day of February, 2000.