



December 1, 1997

File: 6530/4520/59240-09

Reference: 971156

Anderson Project (03)

Mr. Kevin Krynowsky, P.Eng.
Exploitation Engineer
Anderson Exploration Ltd.
1600, 324 - 8th Avenue SW
Calgary, AB T2P 2Z5

Dear Mr. Krynowsky:

**RE: MODIFICATION OF WATERFLOOD PRESSURE
MAINTENANCE APPROVAL OWL CECIL "A" POOL**

This refers to your application dated October 28, 1997 wherein you requested a modification to the approval for a waterflood pressure maintenance scheme in the subject oil pool.

Attached is Approval #97-09-001 (Amendment #1) for the application, granted under section 100 of the Petroleum and Natural Gas Act (previously section 116).

This amendment removes the SE/4 sec 17-86-18 W6M from the original approval and has a reduced production allowable accordingly. The proposed well Anderson Owl 5-16-86-18 (WA# 10945) should not be spudded prior to February 1, 1998, in order to allow all stakeholders time for a final attempt at unitizing the entire productive pool.

Yours sincerely,

B. van Oort, P. Eng
Director
Engineering and Operations Branch

Attachment

Copies for Approval Letter to Industry (11)
RE: GEP, Salt Water Disposals, etc.

- G. Miltenberger
- Data Management
- R. Stefik
- D. Richardson
- P. Attariwala
- G. Farr
- S. Chicorelli
- Resource Revenue
- 59240
- Wellfiles (originals)
- Daily

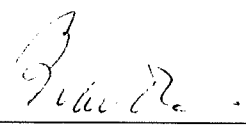
APPROVAL 97-09-001 (Amendment #1)

**THE PROVINCE OF BRITISH COLUMBIA
PETROLEUM AND NATURAL GAS ACT
MINISTRY OF EMPLOYMENT AND INVESTMENT
ENERGY AND MINERALS DIVISION**

IN THE MATTER of a pressure maintenance scheme of Anderson Exploration Ltd. (Anderson) for waterflood recovery of oil by water injection into the Owl Cecil "A" pool.

The Minister of Employment and Investment, pursuant to section 100 of the Petroleum and Natural Gas Act, hereby orders as follows:

1. The pressure maintenance scheme of Anderson for waterflood recovery of oil from the Owl Cecil "A" pool as such scheme is described in the Applications to the Ministry from Petro-Canada Oil and Gas, dated January 21, 1997, and from Anderson, dated October 28, 1997 is hereby amended, subject to the terms herein contained.
2. The area of the pressure maintenance scheme shall consist of W/2 sec 9, NE/4 sec 9, sec 16, and sec 21-86-18 W6M.
3. The project oil allowable is 101.0 m³/d.
4. Water may be injected into the wells 6-9 and 12-9-86-18 W6M.
5. The scheme shall be deemed to have commenced upon water being injected into the wells referred to in clause 4, with the Division being notified in writing of the date of Dec. 21, 1997 commencement.
6. The injection pressure at the sandface must not exceed the formation fracture pressure.
7. Equipment must be installed at the well head of water injection wells to ensure that fracturing of the formation does not occur.
8. All associated gas production must be conserved.
9. An oil well may be drilled anywhere within the project area provided that it is not completed nearer than 100 m to the sides of the project area.
10. Progress reports shall be filed as stipulated in Part 9, section 108 of the *British Columbia Drilling and Production Regulation*.
11. The operations of the pressure maintenance scheme will be subject to periodic review, and modification to the approval may be ordered, if deemed appropriate.



B. van Oort, P. Eng
Director
Engineering and Operations Branch

DATED AT the City of Victoria, in the Province of British Columbia, this / st day of December, 1997.