



OIL AND GAS C

Approval Letters to Industry
GEP, SWD, CONCURRENT PROD,
PRESSURE MAINTENANCE,
WATERFLOOD, ETC.

Copy 10

May 9, 2000

Mr. Allan Mayder, P. Eng.
Exploitation Engineer
Anderson Exploration Ltd.
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Calgary, AB T2P 2Z5

- Wellfile (originals)
- 59240
- Daily
- Resource Revenue
- S. Chicorelli
- R. Stefik
- G. Farr
- P. Attariwala
- C. Gibson
- D. Krezanoski

8100-6200-59240-09
OGC - 000150

Anderson Project (05)

Dear Mr. Mayder:

**Re: WATERFLOOD PRESSURE MAINTENANCE APPROVAL, AMENDMENT #3
STODDART WEST - BELLOY "C" POOL**

The Commission has reviewed your application dated March 6, 2000 wherein you requested an amendment to the waterflood pressure maintenance scheme approval in the subject pool.

We concur that commencement of waterflood pressure maintenance in the proposed new area will result in improved oil recovery from the pool. No objections were received from any interested parties following publication of a notice of the application in two consecutive issues of the B.C. Gazette.

Attached is Approval 91-09-001 (Amendment #3) for the application, granted under Section 100 of the Petroleum and Natural Gas Act. This amendment expands the scheme area, modifies production allowable and adds three new water injectors. Please note that the project daily oil allowable is subject to a GOR adjustment factor, as per section 73 of the *Drilling and Production Regulation*.

Commencement of water injection into any of the new injectors located at 14-33-85-20 W6M, 2-5 or 6-5-86-20 W6M will be the effective date for Approval 91-09-001 (Amendment #3). The Commission must be notified in writing of the effective date. Please note that the Concurrent Production Approval 97-07-005 granted on March 4, 1997 will be rescinded once this approval becomes effective. (*Eng @ 14-33 commenced Aug. 1, 2000*)

Sincerely,

Craig Gibson, P. Eng.
Manager
Reservoir Engineering and Geology

Attachment

ENGINEERING AND GEOLOGY BRANCH

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APPROVAL 91-09-001 (AMENDMENT #3)

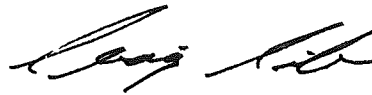
THE PROVINCE OF BRITISH COLUMBIA
PETROLEUM AND NATURAL GAS ACT
OIL AND GAS COMMISSION

IN THE MATTER of a pressure maintenance scheme of Anderson Exploration Ltd. (Anderson) for waterflood recovery of oil by water injection into the Stoddart West Belloy "C" 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 Stoddart West Belloy "C" Pool as described in the application dated March 11, 1991 and modified on November 25, 1996, August 10, 1999 and March 6, 2000 is hereby amended, subject to the terms herein contained:

1. The project area of the pressure maintenance scheme consists of E/2 sec 21, SW/4 & N/2 sec 22, NW/4 sec 23, sec 27, E/2 sec 28, NE/4 sec 32, sec 33 and sec 34 of Twp 85 Rge 20 W6M, sec 3, sec 4, E/2 sec 5, SW/4 sec 5 and sec 9 of Twp 86 Rge 20 W6M.
2. The project daily oil allowable, being the sum of the individual well allowables, is 580.0 m³.
3. Water may be injected into the Stoddart West Belloy "C" pool through the wells located at 14-22, A16-22 (bottom-hole location 14-22), 6-27 (bottom-hole location 2-27), 4-27, 8-28 and 14-33-85-20 W6M, 2-5 and 6-5-86-20 W6M.
4. Water will be injected at rates sufficient to maintain a minimum reservoir voidage replacement ration of 1.0 on an annual basis.
5. The injection pressure measured at the sandface must not exceed the formation fracture pressure.
6. 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.
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.



Craig Gibson
Manager
Reservoir Engineering and Geology

DATED AT the City of Victoria, in the Province of British Columbia, this 9th day of May, 2000.