



bcc: 8434
ADME
S Footat

901233

February 20, 1991

Mr. J.A. Dillabough
Canadian Hunter Exploration Ltd.
700, 435 - 4th Avenue S.W.
Calgary, Alberta
T2P 3A8

revision Carthuster (02)

Dear Mr. Dillabough:

PRESSURE MAINTENANCE BY PRODUCED GAS REINJECTION
BRASSEY - ARTEX "A", "B" AND "D" POOLS

This acknowledges receipt of your application dated November 26, 1990, requesting that the current oil allowable restrictions be waived and that the Royalty Holiday Agreement be revised for the subject pools.

Please note that this response will address only the terms of scheme approval granted, under section 116 of the Petroleum and Natural Gas Act, by the Minister on June 29, 1989. Amendments to conditions #1, #3, #6, #7 and #9(m) were made to the approval on April 6, 1990 which resulted in the inclusion of Artex "A" pool to the scheme. The royalty holiday agreement revisions will be handled separately by the Petroleum Revenues Branch.

Based on a review of the performance, we concur with Canadian Hunter Exploration Ltd. that the ultimate oil recovery will not be jeopardized if the pools are allowed to produce at rates higher than the current allowables. Consequently, the Ministry hereby modifies terms of scheme approval as follows:

↑
June 29/1989

Page 2, Paragraph 2 -- Delete the sentence beginning, "All such gas injection ...".

allowable
waived.

Page 2, Paragraph 3 -- Delete and replace with the following "No restrictions will be placed on the project's daily oil allowables, provided the miscible flooding scheme continues to function to the Ministry's satisfaction."

...2

Mr. J.A. Dillabough
February 20, 1991
Page 2

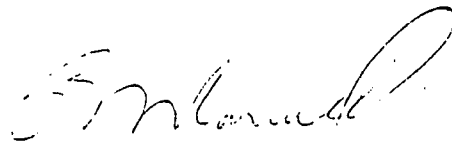
Page 3, Paragraph 4 -- Delete.

Page 3, Paragraph 5 -- Delete.

All other conditions of the Ministry approvals remain unchanged.

Please be advised that a change in circumstances may, in future, necessitate the reintroduction of allowable production constraints.

Yours sincerely,



B.E. Hanwell
Director
Engineering and Operations
Branch

PSA/mef

cc: D.L. Johnson
B. Garrison