



September 17, 2002

5560-4800-59240-09
OGC - 02155

Don Waters, EIT
Development Engineer - High Level
Conoco Canada Resources Limited
P.O. Box 130
401 - 9th Avenue S.W.
Calgary, AB T2P 2H7

Conoco Project (02)

Dear Mr. Waters:

**RE: WATERFLOOD PRESSURE MAINTENANCE APPROVAL, AMENDMENT #2
LAPP HALFWAY "D" POOL**

The Commission has reviewed your application dated August 8, 2002 requesting an amendment to the waterflood pressure maintenance scheme approval for the subject pool.

Attached is Approval 01-09-004 (Amendment #2) for the application, granted under Section 100 of the Petroleum and Natural Gas Act. Injection into this pool commenced in May 2002.

This amendment alters the oil allowable to a voidage based formula. Studies of this pool, and a strong analogy to the ongoing successful operation of the Lapp Halfway "C" pool waterflood, also operated by Conoco Canada Resources Limited, indicate that this production methodology should result in maximizing oil recovery.

Sincerely,

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

Attachment

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

Copy 10

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

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Location: 6th Flr 1810 Blanshard St. Victoria BC

APPROVAL 01-09-004 (AMENDMENT #2)

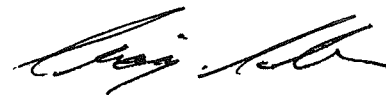
**THE PROVINCE OF BRITISH COLUMBIA
PETROLEUM AND NATURAL GAS ACT
OIL AND GAS COMMISSION**

IN THE MATTER of a pressure maintenance scheme of Conoco Canada Resources Limited (Conoco) for recovery of oil by water injection in the Lapp Halfway "D" Pool.

NOW THEREFORE, the Commission, pursuant to Section 100 of the Petroleum and Natural Gas Act, R.S.B.C. 1996, c.361 orders as follows:

The pressure maintenance scheme of Conoco for waterflood recovery of oil from the Lapp Halfway "D" Pool as such scheme is described in the application from Conoco dated September 24, 2001 modified April 17, 2002 and August 8, 2002 is hereby amended, subject to the following terms:

1. The area of the pressure maintenance scheme consists of units 40 and 50 of Block C/ 94-H-10.
2. The project oil allowable for a month shall be based on the previous month's voidage replacement.
3. Water may be injected into the Lapp Halfway "D" pool through the well d-30-C/94-H-10 (BH b-40-C) WA 14817.
4. The injection pressure measured at the sandface must not exceed the formation fracture pressure.
5. An oil well may be completed anywhere within the project area provided that it is not nearer than 100 m to the sides of the project area.
6. Progress reports shall be filed as stipulated in Section 8 of the *Petroleum and Natural Gas General Regulation*.
7. 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 17th day of September 2002.