



January 10, 2003

6230-4805-59240-09

OGC - 03009

Sara Michalski, C.E.T.
NE BC Exploitation Department
Devon Canada Corporation
1600, 324 - 8th Avenue S.W.
Calgary, AB T2P 2Z5

Devon Project (03)

Dear Ms. Michalski:

**RE: WATERFLOOD PRESSURE MAINTENANCE APPROVAL
MUSKRAT LOWER HALFWAY "A" POOL**

Attached is a waterflood pressure maintenance scheme approval for the subject pool, as requested in your application dated November 22, 2002.

The Approval 03-09-001 for the application is granted under Section 100 of the Petroleum and Natural Gas Act.

Pressure maintenance by water injection in the pool should significantly improve oil recovery from this pool. No objections were received following the publication of a notice of the application in the B.C. Gazette.

Please note that the Good Engineering Practice Approval 99-06-004 granted on June 14, 1999 will be rescinded on the effective date of water injection in this pool.

Incremental oil recovery may be eligible for a reduced royalty. The following web sites contain information letters with further details.

<http://www.em.gov.bc.ca/subwebs/InfoletRR/OilandGas/2000/f2000-1.htm>

<http://www.em.gov.bc.ca/subwebs/InfoletRR/OilandGas/1998/f98-12.htm>

Sincerely,

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

Attachment

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

Copy 9

<input type="checkbox"/>	Wellfile (originals)
<input type="checkbox"/>	59240
<input type="checkbox"/>	Daily
<input type="checkbox"/>	Resource Revenue
<input type="checkbox"/>	S. Chicorelli
<input type="checkbox"/>	R. Stefik
<input type="checkbox"/>	G. Farr
<input type="checkbox"/>	P. Attariwala
<input type="checkbox"/>	D. Krezanoski

ENGINEERING AND GEOLOGY BRANCH

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Location: 6th Flr 1810 Blanshard St. Victoria BC

APPROVAL 03-09-001

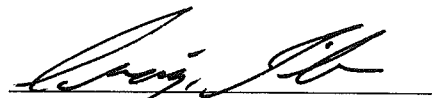
THE PROVINCE OF BRITISH COLUMBIA
PETROLEUM AND NATURAL GAS ACT
OIL AND GAS COMMISSION

IN THE MATTER of a pressure maintenance scheme of Devon Canada Corporation (Devon) for recovery of oil by water injection in the Muskrat Lower Halfway "A" 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 Devon for recovery of oil by waterflooding the Muskrat Lower Halfway "A" Pool as described in the application from Devon to the Commission dated November 22, 2002 is approved, subject to the following terms:

1. The project area of the pressure maintenance scheme consists of section 13-87-18 W6M.
2. The project daily oil allowable, being the sum of individual well allowables, is 42.3 m³.
3. Water may be injected into the Muskrat Lower Halfway "A" pool through the well B7-13-87-18 W6M (bottom hole location 1-13).
4. The scheme is deemed to have commenced upon water being injected into the well referred to in clause 3. Feb. 26, 2003
5. The Commission must be notified in writing of the date of commencement.
6. All associated produced gas must be conserved.
7. The injection pressure measured at the sandface must not exceed the formation fracture pressure.
8. 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.
9. Progress reports shall be filed as stipulated in Section 8 of the *Petroleum and Natural Gas General Regulation*.
10. 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 10th day of January 2003.