



ENCAL PROJECT (03)

May 24, 1996

File: 960536
6460-4520-59240-09

Mr. Kerry D. Rawson, P. Eng.
Reservoir Engineer
Encal Energy Ltd.
1800, 421 Seventh Ave SW
Calgary, AB T2P 4K9

Copies for Approval Letters to Industry (10)
D.L. Johnson
Resource Revenue
P.S. Attariwala
R.G. Stefik
G. Farr
D. Richardson
S. Chicorelli
Daily
Well File
59070-04

Dear Mr. Rawson:

**Re: Application For Pressure Maintenance Approval
Oak Cecil "E" Pool**

This refers to your application dated March 11, 1996 wherein you requested approval of a waterflood pressure maintenance scheme in the Oak Cecil "E" oil pool.

Attached is Approval # 96-09-002 for the application, granted under section 116 of the *Petroleum and Natural Gas Act*.

Please note that the GEP Approval 95-06-001 (Amendment #3), granted on April 19, 1996 for the subject pool is hereby rescinded.

Yours sincerely,

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

Attachment

APPROVAL 96-09-002

**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 Encal Energy Ltd. (Encal) for waterflood recovery of oil by water injection into the Oak Cecil "E" Pool.

The Minister of Employment and Investment, pursuant to section 116 of the *Petroleum and Natural Gas Act*, hereby orders as follows:

1. The pressure maintenance scheme of Encal for waterflood recovery of oil from the Oak Cecil "E" Pool as such scheme is described in the Application from Encal to the Ministry dated March 11, 1996 is hereby approved, subject to the terms herein contained.
2. The pressure maintenance scheme area shall be delineated by NW/4 Section 17, Section 20, W/2 Section 28, S/2 and NE/4 Section 29, and Section 33-86-18 W6M.
3. The reserves based project oil allowable is 120.8 m³/d.
4. Water may be injected into the Oak Cecil "E" Pool through the wells 3-20 and 9-29-86-18 W6M.
5. The scheme shall be deemed to have commenced upon water being injected into the well referred to in clause 4, with the Division being notified in writing of the date of commencement.
6. The well head injection pressure must not exceed the formation fracture pressure.
7. All associated gas production will be conserved.
8. An oil well may be drilled anywhere within the scheme area provided that it is not nearer than 100 m to the sides of the scheme area.
9. Progress reports shall be filed as stipulated in Part 9, section 108 of the British Columbia Drilling and Production 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, by the Director of the Engineering and Operations Branch.



Douglas E. Allen on behalf of the
Minister of Employment and Investment

DATED AT the City of Victoria, in the Province of British Columbia, this 24th day of May, 1996.