



OIL AND GAS COMMISSION

September 19, 2000

6530-4520-59240-09

OGC - 000222

Heather Christie Burns, P. Eng.
Senior Reservoir Engineer
Encal Energy Ltd.
1800, 421 Seventh Ave. S.W.
Calgary, AB T2P 4K9

Encal Project (04)

Dear Ms. Burns:

**RE: WATERFLOOD PRESSURE MAINTENANCE APPROVAL
OWL CECIL "A" POOL**

Attached is a waterflood pressure maintenance scheme approval for a portion of the subject pool, as requested in your application dated July 28, 2000.

Attached is Approval # 00-09-004 for the application, granted under Section 100 of the Petroleum and Natural Gas Act. Water injection in the well Home et al Owl 16-8-86-18 W6M (WA 8706) should improve sweep and enhance oil recovery from the pool. No objections were received following the publication of a notice of the application in the B.C. Gazette.

Please note that the operatorship of the proposed injector must be transferred to Encal Energy Ltd. Also, the Commission must be notified in writing of the date of commencement of water injection in the well 16-8.

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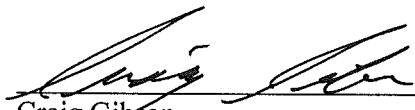
THE PROVINCE OF BRITISH COLUMBIA
PETROLEUM AND NATURAL GAS ACT
OIL AND GAS COMMISSION

IN THE MATTER of a pressure maintenance scheme of Encal Energy Ltd. (Encal) for waterflood recovery of oil by water injection in a portion of the Owl Cecil "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 Encal for waterflood recovery of oil from a portion of the Owl Cecil "A" Pool as described in the application from Encal to the Commission dated July 28, 2000 is approved, subject to the following terms:

1. The project area of the pressure maintenance scheme consists of NE/4 section 8 and SE/4 section 17-86-18 W6M.
2. The project daily oil allowable is 11.8 m³.
3. Water may be injected into the Owl Cecil "A" pool through the well 16-8-86-18 W6M.
4. The scheme is deemed to have commenced upon water being injected into the well referred to in clause 3.
5. The Commission must be notified in writing of the date of commencement.
6. The injection pressure measured at the sandface must not exceed the formation fracture pressure.
7. All associated gas production will be conserved.
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 14 day of September, 2000.