

November 14, 2003

2960-4520-59240-09
OGC - 03298

Sarah Williams
Project Engineer
Fekete Associates Inc.
2000, 540 - 5th Avenue S.W.
CALGARY, AB T2P 0M2

NCE Project (04)

Dear Ms. Williams:

**RE: PRESSURE MAINTENANCE WATERFLOOD APPROVAL
CECIL LAKE - CECIL "D" POOL**

The Commission has reviewed your application, dated October 15, 2003, made on behalf of NCE Petrofund Corp., requesting a pressure maintenance waterflood approval for the producing Cecil Lake Cecil "D" oil pool.

Attached is Approval #03-09-004 for the application, granted under Section 100 of the Petroleum and Natural Gas Act. Please note that the pressure maintenance waterflood scheme becomes effective when water is injected into the pool. The approved project daily oil allowable may be increased based on the waterflood performance of the pool.

The gas injection Approval 89-13-002, last amended July 18, 2003 will be rescinded the date that waterflood becomes effective. Produced gas may then be sold. Please note that the project allowable remains subject to a gas-oil ratio adjustment factor based on net gas production, gas credits only apply for re-injected volumes.

Should you have any questions, please contact Peter Attariwala at (250) 952-0311 or Ron Stefik at 952-0310.

Sincerely,



Craig Gibson, P. Eng.
Director
Resource Conservation Branch

Attachment

cc: Mike Cooper, NCE Petrofund Corp.

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

RESOURCE CONSERVATION BRANCH

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0301
Location: 6th Flr 1810 Blanshard St, Victoria BC

APPROVAL 03-09-004

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

IN THE MATTER of a pressure maintenance scheme of NCE Petrofund Corp. (NCE) for recovery of oil by water injection in the Cecil Lake- Cecil "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 NCE for recovery of oil by waterflooding the Cecil Lake - Cecil "D" Pool as described in the application from Fekete Associates Inc. to the Commission dated October 15, 2003 is approved, subject to the following terms:

1. The project area of the pressure maintenance scheme consists of:

Twp 85 Rge 17 W6M- sect 6, W/2 & NE/4 sect 7
Twp 85 Rge 18 W6M - E/2 sect 1 and E/2 sect 12.

2. The project daily oil allowable, being the sum of individual well allowables, is 95.7 m³.
3. Water may be injected into the Cecil Lake - Cecil "D" pool through the wells 6-6-85-17 W6M (WA 3806) and 12-7-85-17 W6M (WA 15707).
4. The scheme is deemed to have commenced upon water being injected into a well referred to in clause 3.
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, P.Eng.
Director
Resource Conservation Branch

DATED AT the City of Victoria, in the Province of British Columbia, this 19th day of November 2003.