



NOV 19 1985

Minister
DM
ADMP ✓
PEN

Mr. M. Johns,
Scurry-Rainbow Oil Ltd.,
1700 Home Oil Tower,
324 Eighth Avenue, S.W.,
Calgary, Alberta.
T2P 2Z5

Scurry GEP Project (2)

Dear Mr. Johns:

Re: Application for Pressure Maintenance Scheme
by Waterflooding the Good Engineering Practice
Area Comprising Sections 22 and 27 of 84-18,
Eagle Belloy 'B' and Kiskatinaw Pools

The Ministry has received your application dated October 16, 1985 on the above captioned topic.

I hereby grant approval under Section 116 of the Petroleum and Natural Gas Act of your waterflood scheme subject to the following conditions:

1. Wells 14-22, 15-22 and 8-27 of 84-18 will be converted to water injection service.
2. The existing Good Engineering Practice oil allowable of 207.7 m³/day is hereby rescinded and will be replaced by a waterflood oil allowable of 158 m³/day effective November 1, 1985.
3. The following semiannual base Gas Oil Ratio limits will be applied to the waterflood allowable with effect from November 1, 1985.

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<u>Year</u>	<u>Base Gas Oil Ratio m³/m³</u>
1985 1987 (Nov Dec)	334
1986/1	274
1986/2	213
1987/1	165
1987/2	116
1988/1	101
1988/2	86
1989/1	82

and thereafter, the Gas Oil Ratio limit will remain at 82 m³/m³.

4. The ratio of base Gas Oil Ratio to net produced Gas Oil Ratio for the first six month period will be used to adjust the Daily Oil Allowable during the following six month period. Adjustment factors will be based on a simple arithmetic average of monthly Gas Oil Ratio for the preceeding six month period in question. (Allowables for the first half of 1986 will be affected by Gas Oil Ratio performance during November and December 1985 only).
5. Waterflood progress report will be submitted as set out in Division 104.04 of the British Columbia Drilling and Production Regulations.
6. The operation of the waterflood scheme will be subject to ongoing review and modification to the scheme and this approval may be ordered by the Director, Engineering and Operations, incorporating any new data such as infill drilling results, additional injector conversions or extensions of the Good Engineering Practice waterflood project into the remainder of the Eagle Belloy B pool.
7. By a separate letter from the Director, Engineering and Operations, you will be advised of Fixed Ratio Factors to be applied to the future oil production in order to calculate Royalty Remissions to the Crown.

Yours truly,

ORIGINAL SIGNED
BY MINISTER

Stephen Rogers,
Minister of Energy, Mines
and Petroleum Resources.