



January 23, 2002

3410-7600-59240-09

OGC - 02014

ISH WATERFLOOD PROJECT (03)

Ms. Lily Lau-Porta
Reservoir Engineering Advisor
ISH Energy Ltd.
2450 Canterra Tower
400 - 3rd Avenue SW
CALGARY, AB T2P 4H2

Dear Ms. Lau-Porta:

**RE: PRESSURE MAINTENANCE APPROVAL; AMENDMENT #5
DESAN PEKISKO POOL**

This refers to your application dated January 21, 2002 wherein you requested an amendment to the waterflood pressure maintenance approval in the subject oil pool.

Attached is Approval 96-09-003 (Amendment #5) for the application, granted under section 100 of the Petroleum and Natural Gas Act.

Approval is granted to add two newly drilled wells, d-94-L/94-P-2 and a-16-D/94-P-7, to water injection service. This should benefit voidage replacement and aid in oil recovery from the pool.

Yours 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

- Wellfile (originals)
- 59240
- Daily
- Resource Revenue
- S. Chicorelli
- R. Stefik
- G. Farr
- P. Attariwala
- D. Krezanoski

ENGINEERING AND GEOLOGY BRANCH

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Location: 6th Flr 1810 Blanshard St. Victoria BC

APPROVAL 96-09-003 (Amendment # 5)

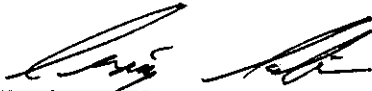
**THE PROVINCE OF BRITISH COLUMBIA
PETROLEUM AND NATURAL GAS ACT
OIL AND GAS COMMISSION**

IN THE MATTER of a pressure maintenance scheme of ISH Energy Ltd. (ISH) for waterflood recovery of oil by water injection into the Desan Pekisko Pool.

The approval granted pursuant to Section 100 of the Petroleum and Natural Gas Act, R.S.B.C. 1996, c.361 is hereby amended as follows:

The pressure maintenance scheme of ISH for waterflood recovery of oil from the Desan Pekisko Pool as described in the applications from ISH dated April 9, 1996, April 4, 1997, October 16, 1997, November 3, 2000 and January 21, 2002 is hereby amended, subject to the terms herein contained.

1. The pressure maintenance scheme area shall be delineated by units 65, 74 - 76, 84 - 87, 94 - 98 of Block L/94-P-2 and units 4 - 8, 14 - 17 and 24 - 27 of Block D/94-P-7.
2. Water may be injected into the Desan Pekisko Pool through the wells d-74-L, d-76-L, d-85-L, d-87-L, d-94-L, d-96-L/94-P-2 and d-5-D, a-16-D, d-24-D and d-26-D/94-P-7.
3. The injection pressure measured at the sandface must not exceed the formation fracture pressure.
4. 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.
5. Progress reports shall be filed as stipulated in Section 8 of the *Petroleum and Natural Gas General Regulation*.
6. 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 ^{23rd} day of January 2002.