



January 15, 2004

3410-7600-59240-09
OGC - 04012

Lily Lau-Porta
Reservoir Engineering Advisor
ISH Energy Ltd.
900 McFarlane Tower
700 - 4th Avenue S.W.
CALGARY, AB T2P 3J4

Dear Ms. Lau-Porta:

RE: PRESSURE MAINTENANCE APPROVAL; AMENDMENT #6
DESAN PEKISKO POOL

This refers to your application dated January 9, 2004 wherein you requested an amendment to the waterflood pressure maintenance approval in the subject oil pool.

Attached is Approval 96-09-003 (Amendment #6) for the application, granted under Section 100 of the Petroleum and Natural Gas Act.

Approval is granted to add two newly drilled wells, b-24-D/94-P-7 (WA 16611) and d-A26-D/94-P-7 (WA 16609), to water injection service. This should benefit voidage replacement and aid in oil recovery from the pool. In addition, two previously approved water injections wells that were never converted to injection service have been removed from condition # 2 of the approval. These wells are d-24-D (WA 6059) and d-26-D/94-P-7 (WA 6032).

Sincerely,

Craig Gibson, P. Eng.
Director
Resource Conservation Branch

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

RESOURCE CONSERVATION BRANCH

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APPROVAL 96-09-003 (Amendment # 6)

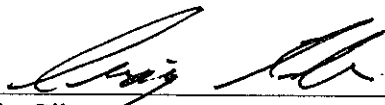
THE PROVINCE OF BRITISH COLUMBIA
PETROLEUM AND NATURAL GAS ACT
OIL AND GAS COMMISSION

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, January 21, 2002 and January 9, 2004 is hereby amended, subject to the terms herein contained.

1. The area of the pressure maintenance scheme area shall consist of:
94-P-2 Block L - units 65, 74 - 76, 84 - 87, 94 - 98
94-P-7 Block D - units 4 - 8, 14 - 17 and 24 - 27
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, b-24-D and d-A26-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
Director
Resource Conservation Branch

DATED AT the City of Victoria, in the Province of British Columbia, this 15th day of January 2004.