

February 12, 2003

3445-6200-59240-09 OGC - 03040

Tony Colabella **Exploitation Engineer** Penn West Petroleum Ltd. P.O. Box 1450, Station "M" Calgary, AB T2P 2L6

Penn West Project (04)

Dear Mr. Colabella:

WATERFLOOD PRESSURE MAINTENANCE APPROVAL STATUS RE: EAGLE WEST BELLOY "A" POOL

A waterflood pressure maintenance approval was issued to Penn West Petroleum Ltd. (Penn West) on August 29, 1990 for the W/2 of section 29-84-18 W6M, constituting a portion of the Eagle West - Belloy "A" pool. This approval became effective on October 17, 1990, the date that injection operations commenced at the designated injection well 12-29-84-18 W6M.

In reviewing production performance, Commission staff have noted that injection at 12-29 ceased in February 1993. Condition #5 of the waterflood approval states in part "...water will be injected at rates sufficient to balance fluid withdrawls...". As this condition is not presently being met, the approval is invalid.

Prior to formally rescinding the waterflood approval, the Commission hereby solicits comment from Penn West regarding the viability of restarting injection. With removal of the pressure mainentenance approval, wells will revert to their individual well daily oil allowable and be subject to GOR adjustment factor.

The following list details the unadjusted daily allowables (DOAs) for the potentially effected currently producing wells:

 $DOA (m^3/d)$ WA# Wellname 7092 PENN WEST ET AL W EAGLE 04-29-84-18 29.6 27.6 7096 PENN WEST ET AL W EAGLE 05-29-84-18

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

Sincerely, Craig Gibson, P. Eng. Manager Reservoir Engineering and Geology **ENGINEERING AND GEOLOGY BRANCH** PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-03

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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