

June 27, 2003

3445-6200-59240-09
OGC – 03155

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:

**RE: WATERFLOOD PRESSURE MAINTENANCE APPROVAL RESCINDED
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.

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 withdrawals...". As this condition is not presently being met, the approval is not in effect. In a letter dated February 12, 2003 the OGC requested clarification from Penn West Petroleum Ltd. regarding intent to operate the waterflood. The response dated June 27, 2003 indicates no immediate plans to re-activate injection.

Therefore, the approval for waterflood pressure maintenance of a portion of the Eagle West Belloy "A" oil pool, dated August 29, 1990 and approved under Section 116 (100) of the Petroleum and Natural Gas Act, is hereby rescinded.

Former project wells revert to the following individual well unadjusted daily oil allowables (DOAs):

<u>WA#</u>	<u>Wellname</u>	<u>DOA (m³/d)</u>	<u>Current Status</u>
2502	PENN WEST ET AL EAGLE 11-29-084-18	15.3	Suspended
7060	PENN WEST ET AL W EAGLE 13-29-084-18	16.0	Suspended
7074	PENN WEST ET AL W EAGLE 12-29-084-18	28.3	Suspended
7081	PENN WEST ET AL W EAGLE A04-32-084-18	25.6	Suspended
7092	PENN WEST ET AL W EAGLE 04-29-084-18	29.6	Producing
7096	PENN WEST ET AL W EAGLE 05-29-084-18	27.6	Producing

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ENGINEERING AND GEOLOGY BRANCH


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Location: 6th Flr 1810 Blanshard St. Victoria BC

Headquarters: #200, 10003 110th Ave, Fort St. John BC V1J 6M7 Tel: (250) 261-5729 Fax: (250) 261-5744
www.ogc.gov.bc.ca

The DOA of a producing well is subject to a monthly GOR adjustment factor. Please submit a Production Allowable Report—Crude Oil (form OGC-32-PROD-RPT) to this office, on a monthly basis, for these producing wells. For an up-to-date form and instructions, link to www.ogc.gov.bc.ca, "Forms & Checklists", then "Reservoir Engineering".

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

Sincerely,


for Craig Gibson, P. Eng.
Manager

Reservoir Engineering and Geology

**Approval Letters to Industry
GEP, SWD, CONCURRENT PROD,
PRESSURE MAINTENANCE,
WATERFLOOD, ETC.**

Copy 10

<input type="checkbox"/>	Wellfile (originals)
<input type="checkbox"/>	59240
<input type="checkbox"/>	Daily
<input type="checkbox"/>	Resource Revenue
<input type="checkbox"/>	S. Chicorelli
<input type="checkbox"/>	R. Stefik
<input type="checkbox"/>	G. Farr
<input type="checkbox"/>	P. Attariwala
<input type="checkbox"/>	C. Gibson
<input type="checkbox"/>	D. Krezanoski