



OIL AND GAS COMMISSION

July 13, 2005

2000-4535-59240-09
OGC - 05206

Rick Howe, P.Eng.
Exploitation Engineer
Primewest Energy Inc.
5100, 150 - 6th Ave SW
Calgary, AB T2P 3Y7

Primewest Project #1 (04)

Dear Mr. Howe:

**Re: WATERFLOOD PRESSURE MAINTENANCE APPROVAL, AMENDMENT #6
BOUNDARY LAKE - BOUNDARY LAKE "A" POOL, PRIMEWEST PROJECT #1**

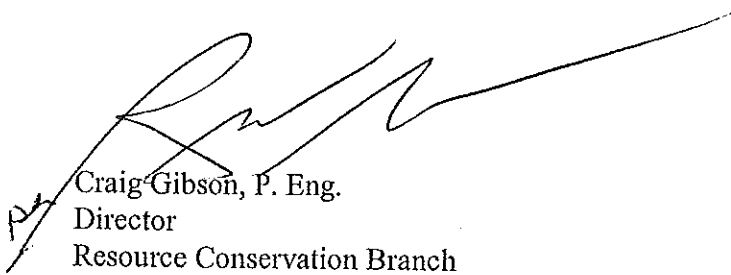
The Commission has reviewed your application, dated June 29, 2005, requesting that the well 06-02-86-14 W6M (WA# 1440) be converted to a water injector to support the subject waterflood pressure maintenance project.

Oil recovery to-date from this project has been excellent, with continued strong performance due to additional drilling and waterflood management. Based on a review of the production performance, we concur that additional water injectivity in this portion of the pool will likely result in additional oil recovery, without adversely impacting competitive operations. Accordingly, attached is Approval 64-09-004 (Amendment #6) for the application, granted under Section 100 of the Petroleum and Natural Gas Act.

We note that for the injection wells 16-34-85-14 (WA# 1022), 16-35-85-14 (WA# 606), 16-2-86-14 (WA# 605) and 2-3-86-14 W6M (WA# 1666) the last water injection reports (BC S-18) received have been for the reporting period of November 2004. Please ensure that water injection is reported monthly, as per the requirements of the *Drilling and Production Regulation*.

Should you have any questions, please contact Ron Stefik at (250) 952-0310.

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
- R. Slocomb
- D. Krezanoski

RESOURCE CONSERVATION BRANCH

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APPROVAL 64-09-004 (AMENDMENT #6)

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

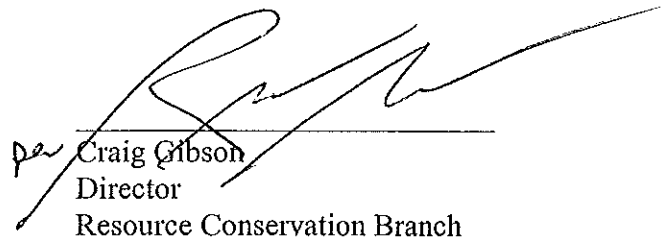
IN THE MATTER of a pressure maintenance scheme of Primewest Energy Inc. (Primewest) for waterflood recovery of oil by water injection into a portion of the Boundary Lake – Boundary Lake “A” Pool.

The approval granted pursuant to Section 100 (previously Section 116) of the Petroleum and Natural Gas Act, R.S.B.C. 1996, c.361 is hereby amended as follows:

The pressure maintenance scheme for waterflood recovery of oil from the Boundary Lake – Boundary Lake “A” Pool as approved July 22, 1964 and amended September 25, 1964, September 16, 1965, May 16, 1968, March 30, 2004 and May 21, 2004 is hereby amended, subject to the terms herein contained:

1. The project area of the pressure maintenance scheme consists of:

Twp 85 Rge 14 W6M- S/2 sec 22, sec 26, N/2 sec 34, sec 35
Twp 86 Rge 14 W6M - sec 2, S/2 sec 3, E/2 sec 11 and E/2 sec 14.
2. The project daily oil allowable is 782.1 m³.
3. Water may be injected into the Boundary Lake – Boundary Lake “A” pool through the wells located at 5-22, 6-26, 16-26, 16-34, 6-35, 16-35-85-14 and 6-2, 16-2, 2-3, 16-11-86-14 W6M.
4. The injection pressure measured at the sandface must not exceed the formation fracture pressure.
5. An oil well may be drilled anywhere within the project area provided that it is not nearer than 100 m to the sides of the project area.
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.


per Craig Gibson
Director
Resource Conservation Branch

DATED AT the City of Victoria, in the Province of British Columbia, this 13th day of July, 2005.