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Ref. No. 86498

1986 05 13

Scurry-Rainbow Oil Ltd.
1700 Home Oil Tower
324 Eighth Avenue, S.W.
Calgary, Alberta
T2P 2Z5

Attention: Mr. M. L. Johns, P. Eng.

Dear Sir:

Re: Amendment to Pressure Maintenance Scheme
East Eagle Unit No. 1
Belloy/Riskatinaw Pools

Your application dated May 5th, 1986 to expand the existing GEP waterflood approval (granted November 19th, 1985) to include the area to be known as the East Eagle Unit No. 1 is approved subject to the following conditions:

1. The area of the Unit comprises, NE $\frac{1}{4}$ Section 21, Section 22, SW $\frac{1}{4}$ Section 23, N $\frac{1}{4}$ Section 23, Section 25, Section 26, Section 27, SE $\frac{1}{4}$ Section 28, S $\frac{1}{4}$ Section 35, NW $\frac{1}{4}$ Section 35 and SW $\frac{1}{4}$ Section 36-84-18 W6.
2. The waterflood allowable for the Unit will be 424 m³/d and will be effective as from May 1, 1986.
3. Wells completed at 14-22, 15-22, 8-27, 2-26 and 9-26-84-18 W6 will be used for water injection.

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4. The following semi-annual base gas-oil ratio limits will be applied to the waterflood allowable with effect from May 1, 1986.

<u>Year</u>	<u>Base Gas Oil Ratio m³/m³</u>
1986 (May June)	274
1986 / 2nd half	213
1987 / 1st half	165
1987 / 2nd half	116
1988 / 1st half	101
1988 / 2nd half	86
1989 / 1st half	82

and thereafter, the gas-oil ratio limit will remain at 82 m³/m³.

5. The ratio of base gas-oil ratio to net produced gas-oil ratio for the first six month period will be used to adjust the daily oil allowable during the following six month period. Adjustment factors will be based on a simple arithmetic average of monthly gas-oil ratio for the preceeding six month period in question. (Allowables for the second half of 1986 will be affected by gas-oil ratio performance during May and June 1986 only).
6. Waterflood progress reports will be submitted as set out in Division 104.04 of the B.C. Drilling and Production Regulations.
7. The operation of the waterflood scheme will be subject to ongoing review; Depending on the results of this review process, modifications to the scheme as well as to this approval may be ordered by the Director, Engineering and Operations.

Yours truly,

K. J. Hindmarch
Director, Engineering and Operations

PSA:ket

bcc: D.L. Johnson
W.L. Ingram
B. Garrison
P.K. Huus