



Province of
British Columbia

ASSISTANT DEPUTY MINISTER

Ministry of
Energy, Mines and
Petroleum Resources

Parliament Buildings
Victoria
British Columbia
V8V 1X4

Ref. No. 88556

(Pensionfund) GEP Project (8)

April 29, 1988

RECEIVED 48/04/88

Mr. H. W. Leiper
Pensionfund Energy Resources Ltd.
800, 304 - 8th Avenue, S.W.
Calgary, Alberta
T2P 1C2

Dear Mr. Leiper:

Re: Ruperts et al Peejay d-30-I/94-A-15
Gas Cap to Peejay Halfway Unit No. 3

This refers to your application of July 30, 1987, requesting permission to produce the subject gas cap well with reserves based gas allowables.

Strong objections to the proposed gas cap blowdown were, as you are aware, raised by Petro-Canada, acting as operator for the Peejay Halfway Unit No. 3.

This waterflood operation is at a very mature level and the Ministry judged that the time for gas cap blowdown may well be ripe. From all the correspondence, including evidence from recently drilled wells, doubts have moreover arisen about the degree of communication between well d-30-I and the northern part of the oil leg, where there is substantial evidence of geological complexity.

In order to resolve these issues the Ministry had requested the presence of Petro-Canada and Pensionfund for a meeting during the first half of March 1988. This deadline has passed and no meeting was called.

The Ministry now judges that controlled blowdown of the gas cap around well d-30-I will not necessarily affect the Peejay unit, and moreover will provide an additional opportunity to establish the degree of communication (if any) between well d-30-I and the oil leg.

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Therefore, we wish to advise that your application is hereby approved under Division 77 of the B.C. Drilling and Production Regulations subject to the following conditions:

1. The area of gas cap production under GEP is units 20 and 30 Block I and units 11 and 21 Block J/94-A-15.
2. The daily gas allowable for the area (based on volumetric reserves) will be limited to 15.4 $10^3 \text{m}^3/\text{d}$.
3. The operation of the gas well will be subject to annual review with annual progress report required setting out the following information:
 - a. The daily average gas, liquids and water rate during each month.
 - b. The date and details of any well treatment or workover.
 - c. The current formation pressure in the well.
4. The well will be shut-in if the formation pressure drops below 4850 kPa. This pressure is subject to review and may be revised at a later date. (This is the average formation pressure in the producing oil wells in the northern portion of the Unit).
5. The approval may be modified or rescinded at a later date, if deemed necessary.

Yours truly,

E. R. Macgregor
Assistant Deputy Minister
Energy Resources Division

PSA:ket

cc: Petro-Canada Resources
Attn: Mr. Roger Lien

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