



May 22, 2001

3460-2700-32640-02
OGC - 01116

Peter Checknita
Senior Reservoir Engineer Consultant
Encal Energy Ltd.
1800, 421 - 7th Ave S.W.
Calgary, AB T2P 4K9

Dear Mr. Checknita:

**RE: APPLICATION FOR SALT WATER DISPOSAL
ENCAL ELM b-100-C/94-H-7, (WA# 10591); Gething Formation**

The Commission has reviewed your application dated April 12, 2001 requesting permission to dispose of produced water into the Gething formation of the subject well.

We concur that the well b-100-C/94-H-7 appears to be a good candidate for water disposal into the Elm Gething formation. Notice of your application was published in two issues of the BC Gazette. As no written objections were received, your application is approved as submitted.

Attached is Approval 01-02-007 for the application granted under Part 8, Division 3, Section 94 of the *Drilling and Production Regulation*.

Sincerely,

Craig Gibson, P. Eng.
Manager
Reservoir Engineering and Geology

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
- P. Attariwala
- D. Krezanoski

ENGINEERING AND GEOLOGY BRANCH

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APPROVAL 01-02-007

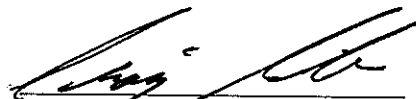
**THE PROVINCE OF BRITISH COLUMBIA
PETROLEUM AND NATURAL GAS ACT
DRILLING AND PRODUCTION REGULATION
OIL AND GAS COMMISSION**

IN THE MATTER of a scheme of Encal Energy Ltd. (Encal) for Salt Water Disposal (SWD) in the Gething formation in the well Encal Elm b-100-C/94-H-7 (WA# 10591).

NOW, THEREFORE, pursuant to Part 8, Division 3, Section 94 of the *Drilling and Production Regulation*, the SWD scheme is hereby approved, as such scheme is described in

an application from Encal to the Commission dated April 12, 2001.

1. The water disposal interval must be in the Gething formation.
2. A record of volume of salt water disposed of through this well must be included on a Monthly Injection/Disposal Statement, in the prescribed form (BC-S18), which must be submitted to the Oil and Gas Commission not later than the 25th day of the month following the reported month.
3. The disposal/injection pressure at the sandface must not exceed the formation fracture pressure.
4. This approval may be modified or rescinded if deemed appropriate through a change in circumstances.



Craig Gibson
Manager
Reservoir Engineering and Geology
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 18th day of May, 2001.