



November 26, 2001

5500-6200/7400-32640-02
OGC - 01225

Mark Taylor, P. Eng.
Group Leader, BC Engineering
AEC Oil and Gas
3900, 421 - 7th Avenue S.W.
Calgary, AB T2P 4K9

Dear Mr. Taylor:

RE: APPLICATION FOR SALT WATER DISPOSAL
AEC Ladyfern c-89-A/94-H-1, (WA# 13604); Belloy and Debolt

The Commission has reviewed your application dated October 22, 2001 requesting permission to dispose of produced water into the Belloy and Debolt formations of the subject well.

We concur that the subject well is a good candidate for salt water disposal in the upper Belloy and Debolt formations. Notice of your application was published in two issues of the BC Gazette. As no written objections were received, your application is approved.

Attached are Approvals 01-02-010 and 01-02-011 for the application granted under Part 8, Division 3, Section 94 of the *Drilling and Production Regulation* for the Belloy and Debolt formations, respectively.

Based on the log interpretation, there is a possibility that the Belloy may be gas bearing. Accordingly, as mentioned in your email of October 30, 2001, it is proposed that the well be perforated and flow tested prior to conversion to salt water disposal service.

Sincerely,

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

Attachments

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

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0291
Location: 6th Flr 1810 Blanshard St. Victoria BC

APPROVAL 01-02-011

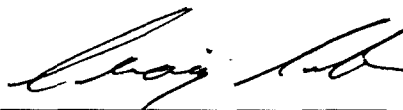
**THE PROVINCE OF BRITISH COLUMBIA
PETROLEUM AND NATURAL GAS ACT
DRILLING AND PRODUCTION REGULATION
OIL AND GAS COMMISSION**

IN THE MATTER of a scheme of AEC Oil and Gas (AEC) for Salt Water Disposal (SWD) in the Debolt formation in the well AEC Ladyfern c-89-A/94-H-1 (WA# 13604).

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 AEC to the Commission dated October 22, 2001.

1. The water disposal interval must be in the Debolt 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 26th day of November, 2001.

APPROVAL 01-02-010

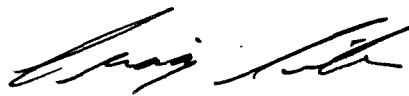
**THE PROVINCE OF BRITISH COLUMBIA
PETROLEUM AND NATURAL GAS ACT
DRILLING AND PRODUCTION REGULATION
OIL AND GAS COMMISSION**

IN THE MATTER of a scheme of AEC Oil and Gas (AEC) for Salt Water Disposal (SWD) in the Belloy formation in the well AEC Ladyfern c-89-A/94-H-1 (WA# 13604).

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 AEC to the Commission dated October 22, 2001.

1. The water disposal interval must be in the Belloy 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.
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Craig Gibson
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