



January 21, 2002

5500-6200/7400-32640-02
OGC - 02012

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 a-A36-H/94-H-1, (WA 14784); Belloy and Debolt

The Commission has reviewed your application dated December 18, 2001 requesting permission to dispose of produced water into the Belloy and Debolt formations of a proposed well located at a-A36-H/94-H-1.

Based on all the information available from the well a-36-H/94-H-1 (WA 13605), we concur that the proposed well would be 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 02-02-001 and 02-02-002 for the application granted under Part 8, Division 3, Section 94 of the *Drilling and Production Regulation* for the Belloy and Debolt formations, respectively.

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 02-02-002

**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 proposed well AEC Ladyfern a-A36-H/94-H-1 (WA 14784).

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 December 18, 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 21st day of January 2002.

APPROVAL 02-02-001

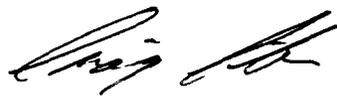
**THE PROVINCE OF BRITISH COLUMBIA
PETROLEUM AND NATURAL GAS ACT
DRILLING AND PRODUCTION REGULATION
OIL AND GAS COMMISSION**

IN THE MATTER of a scheme of AEC Oil and Gas (AEC) for Salt Water Disposal (SWD) in the Belloy formation in the proposed well AEC Ladyfern a-A36-H/94-H-1 (WA 14784).

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 December 18, 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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