



June 21, 2002

5600-4100-32640-02

OGC - 02108

Rick Schultz
Director of Production
El Paso Oil & Gas Canada, Inc.
700, 150 - 6th Avenue S.W.
Calgary, AB T2P 3Y7

Dear Mr. Schultz:

**RE: APPROVAL FOR SALT WATER DISPOSAL
EL Paso Laprise c-12-A/94-G-8; WA 14939**

The Commission has reviewed your application dated April 12, 2002, and amendment dated June 18, 2002, requesting permission to dispose of produced water into the Baldonnel formation of the subject well.

Following publication of the original application in the BC Gazette, the Commission received valid objections from area interest holders and the application was subsequently denied in our letter dated June 5, 2002 (file# OGC-02099).

Your amendment to the application, dated June 18, 2002, proposes completion of a deeper interval in the Baldonnel zone for disposal purposes. This amendment includes a letter of support to the revised application, signed by the companies that had raised earlier objection.

We now concur that the well c-12-A/94-G-8 is a good candidate for salt water disposal into the Baldonnel formation, as proposed in the amended application. Attached is Approval 02-02-011 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

Cc: Impact Energy Inc. (Attn: Murray Mason)

Oiltec Resources Ltd. (Attn: Robert Stanton)

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 02-02-011

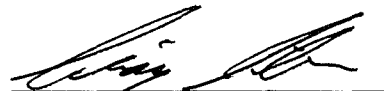
**THE PROVINCE OF BRITISH COLUMBIA
PETROLEUM AND NATURAL GAS ACT
DRILLING AND PRODUCTION REGULATION
OIL AND GAS COMMISSION**

IN THE MATTER of a scheme of El Paso Oil & Gas Canada, Inc. (El Paso) for Salt Water Disposal (SWD) in the Baldonnel formation in the well El Paso Laprise c-12-A/94-G-8 (WA# 14939).

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 El Paso to the Commission dated April 12, 2002 and June 18, 2002.

1. The water disposal interval must be in the Baldonnel formation, within the interval of 1645.0 - 1660.0 mKB.
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 June, 2002.