



Peter's copy

June 5, 2002

5600-4100-32640-02
OGC - 02099

Dale Orton, P. Eng.
Senior Exploitation Engineer,
El Paso Oil & Gas Canada, Inc.
7th Floor, 150 - 6th Avenue S.W.
Calgary, AB T2P 3Y7

Dear Mr. Orton:

RE: APPLICATION 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 requesting permission to dispose of produced water into the Baldonnel formation of the subject well.

Notice of your application was published in two issues of the BC Gazette with May 23, 2002 being the last date for any valid objections.

Please note that two written objections were received, one from Impact Energy Inc. and another from Oiltec Resources Ltd. Copies of these letters were mailed to El Paso. We concur that future drilling planned in the area may prove economically viable. Therefore, disposal of salt water in well c-12-A/94-G-8 could adversely impact potential gas production from the area. In view of this your application cannot be approved at this time.

Sincerely,

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

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

Oiltec Resources Ltd. (Attn: Robert Stanton)

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

Headquarters: #200, 10003 110th Ave, Fort St. John BC V1J 6M7 Tel: (250) 261-5729 Fax: (250) 261-5744 www.ogc.gov.bc.ca