



June 28, 1999

Ref: OGC990392

File: 2960-4520-59240-10

Mr. George M. Amos, P.Eng.
Evaluations
NCE Resources Group
2300 Canada Trust Tower
421 - 7th Ave. S.W.
Calgary, AB T2P 4K9

NCE Project (03)

Dear Mr. Amos:

**RE: GAS INJECTION SCHEME - TEST APPROVAL - JULY 1 TO SEPTEMBER 30, 1999
CECIL LAKE - CECIL "D" POOL**

The Commission has reviewed your application dated June 16, 1999, requesting a further period of reduced gas injection into the subject pool in order to continue to evaluate pool production response. A gas injection pressure maintenance scheme was approved for this pool September 13, 1989, requiring all produced solution gas, in excess of that required for lease fuel, to be injected.

The Commission previously approved a 90-day test period for data gathering, which occurred from January 15 to April 15, 1999. The results of this test, as presented with your application, indicate possible beneficial results.

Therefore, approval is hereby granted under the authority of section 101 of the *Drilling and Production Regulation* to reduce gas re-injection under the following conditions:

1. Gas injection may be limited to 28.0 e³m³/d for the period of July 1 to September 30, 1999.
2. A test report must be submitted to the Commission no later than 90 days following the termination of the test, including daily oil and gas production and injection rates.

Please note that the scheme has a daily oil allowable of 71.5 m³. This allowable is subject to a GOR adjustment factor, based on net gas production (produced gas minus credit for injected volume). This calculation is detailed in Form 32, Production Allowable Report – Crude Oil.

Should you have any questions, please contact Ron Stefik at (205) 952-0310.

Sincerely,

Bou van Oort
Director
Engineering and Geology Branch

BVO/PA/sjr

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