



October 25, 2000

2960-4580-59240-07
OGC 000254

Mr. R. Peter Morissette, P. Eng.
Engineer, Development
Anderson Exploration
1600, 324 – Eighth Avenue S.W.
Calgary AB T2P 2Z5

Scurry Project #2 (04)

Dear Mr. Morissette:

**RE: CONCURRENT PRODUCTION APPROVAL AMENDMENT
CECIL LAKE – NORTH PINE “A” POOL**

Attached is an amendment to the Concurrent Production scheme approval for a portion of the subject pool. The application, dated October 11, 2000 requested an annual gas allowable for the project. An annualized gas allowable for the project is appropriate in this case as the pool is producing under competitive schemes.

The Approval 78-07-004 (Amendment #2) is hereby granted under section 97 of the Petroleum and Natural Gas Act. In order to allow economic operation, an annualized gas allowable has been approved. Production from the project gas cap well 10-18-84-17 W6M must be limited to remaining allowable volumes with the oil well 4-18-84-17 W6M operating to capacity.

Please note that the project allowables may be amended if additional successful wells are completed within the project area.

Sincerely,

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

Attachment

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

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APPROVAL 78-07-004 (Amendment #2)

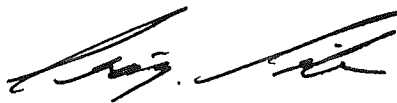
THE PROVINCE OF BRITISH COLUMBIA
PETROLEUM AND NATURAL GAS ACT
OIL AND GAS COMMISSION

IN THE MATTER of a Concurrent Production scheme of Anderson Exploration (Anderson) for producing a portion of the Cecil Lake North Pine "A" pool with a project oil and gas allowable.

NOW, THEREFORE, the Commission, pursuant to section 97 of the Petroleum and Natural Gas Act, hereby approves an amendment to the Concurrent Production project of Anderson for oil and gas production with project allowables.

This project is approved, subject to the conditions herein contained and, in particular:

1. The area of the project shall consist of NW/4 sec 7 and sec 18-84-17 W6M.
2. The project daily oil allowable, being the minimum allowable, is 10 m^3 .
3. The reserves based project gas allowable is $9.7 \text{ e}^3 \text{ m}^3/\text{d}$. This may be produced as an annual allowable of $3,540.5 \text{ e}^3 \text{ m}^3$ without regard to the daily production limit.
4. The well 4-18-84-17 W6M, being the oil well within the project, must be preferentially produced.
5. All produced gas must be conserved.
6. The requirements of section 10 of the *Drilling and Production Regulation* are hereby waived, provided that oil wells within the scheme area are not completed nearer than 100 m to the sides of the approved area.
7. This approval may be modified or rescinded at a later date if deemed appropriate.



Craig Gibson
Manager
Reservoir Engineering and Geology

DATED AT the City of Victoria, in the Province of British Columbia, this 25th day of October, 2000.