Oil and Gas Commission

| mmission | Approval Letters to Industry GEP, SWD, CONCURRENT PROD, | : 61 6 1100 |
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| | PRESSURE MAINTENANCE, | Anderson Project (02) |
| | WATERFLOOD, ETC. | |
| November 27, 1998 | Copy Wellfile (originals) 59240 Daily Resource Revenue R. Stefik G. Farr P. Attariwala | File: 8900-4800-59240-07 OGC-980846 |
| Mr. Will Yakymyshyn Engineer, Exploitation Anderson Exploration Ltd. 1600 324 8 th Ave SW Calgary AB T2P 2Z5 | Email D. Krezanoski S. Chicorelli | |

Dear Mr. Yakymyshyn:

RE: APPROVAL FOR THE CONCURRENT PRODUCTION, AMENDMENT #2
ZAREMBA HALFWAY "C" POOL

Attached is Approval 97-07-012 (Amendment #2), issued under section 97 of the <u>Petroleum and Natural Gas Act</u>.

Production and pressure data suggest that the Zaremba Halfway "C" pool contains a significant oil accumulation. In order to conserve reservoir energy and maximize oil recovery, reduced gas rate limitations have been imposed on this scheme and the producing gas cap wells.

This approval is intended to allow operational flexibility in order to maximize oil recovery. Please note that the project allowables may be amended if an oil well outside the project area is successfully completed in the subject pool by another operator.

Sincerely,

B. van Oort Director

Engineering and Geology Branch

Attachment

APPROVAL 97-07-012 (AMENDMENT #2)

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

IN THE MATTER of a Concurrent Production proposal of Anderson Exploration Ltd. (Anderson) for producing the Zaremba Halfway "C" Pool without a project oil allowable.

NOW, THEREFORE, the Commission, pursuant to section 97 of the Petroleum and Natural Gas Act (the Act), hereby approves an amendment to the Concurrent Production project of Anderson for production of oil without an oil project allowable and with a daily gas limit, as such project is described in

an Application from Anderson to the Division dated July 22, 1998, and related submission.

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

- 1. The area of the project shall consist of units 20 and 30 of Block L/94-H-7.
- 2. The project oil allowable is waived.
- 3. Gas production from the project will be limited to 15.6 10³m³/d.
- 4. All associated gas production must be conserved.
- 5. This approval may be modified or rescinded at a later date if deemed appropriate.

Bou van Oort, on behalf of the Division Head

Energy and Minerals Division

DATED AT the City of Victoria, in the Province of British Columbia, this 23 day of November, 1998.