



February 20, 1998

Ref: 970231
File: 2020-4900-59240-07

Blue Range Project (02)

Mr. Ed Poth, P. Eng.
Senior Exploration Engineer
Blue Range Resource Corporation
1300, 800 - 5th Avenue SW
Calgary, AB T2P 3T6

Dear Mr. Poth:

**RE: APPROVAL FOR CONCURRENT PRODUCTION
BOUNDARY LAKE NORTH - DOIG "A" POOL**

This refers to your application of December 16, 1997 requesting that a Concurrent Production scheme be approved for the subject pool.

The Approval 98-07-001 is hereby granted under Section 97 of the Petroleum and Natural Gas Act.

Commingling of the Halfway "B" gas and Doig "A" oil pool is approved for production from the well Blue Range at N Boundary 10-9-87-14 (WA# 1451), pursuant to Section 44 of the *Drilling and Production Regulation*. All oil, gas and water production must be reported on the BC S-1 and BC S-2 forms as Doig. This approval is in recognition of the communication of the pools behind the wellbore casing.

It should be noted that there are no equity concerns at this time; however, the project allowables may be revised if an oil well outside the project area is completed in the subject pool by another operator.

Yours sincerely,

B. van Oort, P. Eng.
Director
Engineering and Operations Branch

Attachment

Copies for Approval Letter to Industry (11)
RE: GEP, Salt Water Disposals, etc.

- G. Miltenberger
- Data Management
- R. Stefik
- D. Richardson
- P. Attariwala
- G. Farr
- S. Chicorelli
- Resource Revenue
- 59240
- Wellfiles (originals)
- Daily

Craig Gibson

APPROVAL 98-07-001

THE PROVINCE OF BRITISH COLUMBIA
PETROLEUM AND NATURAL GAS ACT
MINISTRY OF ENERGY AND MINES
ENERGY AND MINERALS DIVISION

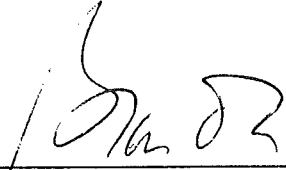
IN THE MATTER of a Concurrent Production proposal of Blue Range Resource Corporation (BRRC) for producing the Boundary Lake North Doig "A" Pool with a project gas and oil allowable.

NOW, THEREFORE, the Division Head, pursuant to Section 113 of the Petroleum and Natural Gas Act (the Act), hereby approves the Concurrent Production project of BRRC for oil and gas production, as such project is described in

an Application from BRRC to the Division dated December 16, 1997, 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 NE/4 Section 9 Township 87 Range 14 W6M.
2. The project oil allowable is 75.0 m³/d.
3. Gas production from the project will be limited to 28.0 10³m³ /d.
4. All associated gas production must be conserved.
5. Royalty-exempt oil production from the discovery well Blue Range et al N Boundary 10-9-87-14 (WA# 1451) is limited to a volume of 11, 450.0 m³ or the volume produced in the first 36 producing months, whichever is lesser.
6. 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 20 day of February, 1998.