

May 12, 1997

*Calahoo Project (05)
Amendment #2*

Mr. Dennis Taylor
Senior Engineering Technologist
Calahoo Petroleum Ltd.
400, 407 - 2nd Street SW
Calgary AB T2P 2Y3

Dear Mr. Taylor:

**RE: AMENDMENT TO CONCURRENT PRODUCTION APPROVAL
FORT ST. JOHN NORTH PINE "A" POOL**

This refers to your application of May 2, 1997 requesting an amalgamation of several Concurrent Production scheme approvals granted for the Fort St. John North Pine zone.

The Approval 97-07-007 (Amendment #2) is hereby granted under section 97 of the Petroleum and Natural Gas Act. This expands the area of the Concurrent approval last updated March 30, 1995. The separate approval granted November 23, 1984 for Section 25-83-18 W6M is hereby rescinded.

The approvals referred to in your application for Sections 31-83-17 and 36-83-18 W6M pertain to the separate North Pine "C" and "D" pools and are thus not included under this amendment.

Yours sincerely,



B. van Oort
Director
Engineering and Operations Branch

RS/mef

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

<input type="checkbox"/>	G. Miltenberger
<input type="checkbox"/>	Data Management
<input checked="" type="checkbox"/>	R. Stefik
<input type="checkbox"/>	D. Richardson
<input type="checkbox"/>	P. Attariwala
<input type="checkbox"/>	G. Farr
<input type="checkbox"/>	S. Chicorelli
<input type="checkbox"/>	Resource Revenue
<input type="checkbox"/>	59240
<input type="checkbox"/>	Wellfile (originals)
<input type="checkbox"/>	Daily

Attachment

Ministry of
Employment
and Investment

Engineering and
Operations Branch

Mailing Address:
PO Box 9326 Stn Prov Govt
Victoria BC V8W 9N3

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Sixth Floor
1810 Blanshard Street
Victoria

APPROVAL 97-07-007 (AMENDMENT #2)

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

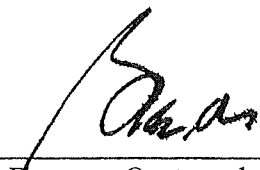
IN THE MATTER of a Concurrent Production proposal of Calahoo Petroleum Ltd. (Calahoo) for producing a portion of the Fort St. John North Pine "A" Pool with a project oil and gas allowable.

NOW, THEREFORE, the Division Head, pursuant to section 97 of the Petroleum and Natural Gas Act (the Act), hereby approves the Concurrent Production project of Calahoo for oil and gas production with project allowables by amending existing approvals, as such project is described in

an Application from Calahoo to the Division dated May 2, 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 Sections 25, 26 and S/2 Section 35-83-18 W6M.
2. The project reserves based oil allowable is 32.9 m³/d.
3. The project reserves based gas production limit is 37.4 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 12th day of May, 1997.