



**BRITISH
COLUMBIA**

August 11, 1998

Copies for Approval Letters to Industry (11)

RE: **Application for Concurrent Production**

<input type="checkbox"/>	G. Milltenberger	<input type="checkbox"/>	Resource Revenue
<input type="checkbox"/>	Data Mgmt	<input type="checkbox"/>	P.S. Attariwala
<input checked="" type="checkbox"/>	R. Stefik	<input type="checkbox"/>	G. Farr
<input type="checkbox"/>	D. Richardson	<input type="checkbox"/>	S. Chicorelli
<input type="checkbox"/>	Wellfile (originals)	<input type="checkbox"/>	Daily
<input type="checkbox"/>	59240-07	<input type="checkbox"/>	

File No: 7600-4800-59240-07

Ref: 980634

Mr. Terry Mah
Senior Engineer
Calahoo Petroleum Ltd.
400 407 2nd St SW
Calgary AB T2P 2Y3

Calahoo Project (02)

Dear Mr. Mah:

**RE: CONCURRENT PRODUCTION APPROVAL
RIGEL HALFWAY "AA" OIL POOL**

Attached is a Concurrent Production with Good Engineering Practice scheme approval for the subject pool, as requested in your application of July 24, 1998.

We concur with you that the subject pool is a single well pool and that the well is severely restricted at its current penalized rates. As this is a small oil pool where all produced gas will be conserved, a concurrent production approval is considered appropriate in this case.

The Approval 98-07-011 is hereby granted under Section 97 of the Petroleum and Natural Gas Act. Please inform this office in writing of the date that gas conservation facilities are operational.

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.

Yours sincerely,

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

PSA/mef

Attachment

**Ministry of
Energy and Mines**

Energy and Minerals Division
Engineering and Operations Branch

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APPROVAL 98-07-011

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


IN THE MATTER of a Concurrent Production scheme with Good Engineering Practice of Calahoo Petroleum Ltd. (Calahoo) for producing the Rigel Halfway "AA" oil pool with a project oil and gas allowable.

NOW, THEREFORE, the Division Head, pursuant to Section 97 of the Petroleum and Natural Gas Act, hereby approves a Concurrent Production project of Calahoo for oil and gas production with project allowables, as such project is described in

an Application from Calahoo to the Division dated July 24, 1998, and related submissions.

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

1. The area of the scheme shall consist of units 11, 21 of Block A/94-A-15 and units 20, 30 of Block D/94-A-16.
2. The project daily oil allowable is 10 m³.
3. Gas production from the scheme is limited to 40.0 10³ m³/d.
4. All produced gas must be conserved. (March 1, 1999)
5. Royalty-free oil production for the discovery well d-21-A/94-A-15 (WA 11135) is limited to 1600.4 m³ or the volume produced in the first 36 producing months, whichever is lesser.
6. The approval may be modified or rescinded at a later date if deemed appropriate.



B. 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 16 day of August, 1998.