



June 21, 2002

8200-4510-59240-07
OGC – 02106

Peter Checknita, P.Eng.
Senior Reservoir Engineering Consultant
Calpine Canada Resources Company
2900, 240 – 4th Avenue S.W.
Calgary AB T2P 4H4

Dear Mr. Checknita:

**RE: CONCURRENT PRODUCTION APPROVAL
TWO RIVERS – SIPHON “A” POOL**

The Commission has reviewed your application dated May 13, 2002 for Concurrent Production for the subject pool.

As gas produced exceeds the solution gas-oil ratio and this gas is being conserved, a Concurrent Production approval is considered appropriate in this case.

Accordingly, Approval 02-07-004 is hereby granted under section 97 of the Petroleum and Natural Gas Act. Please note that the project allowables may be amended if another operator successfully completes an oil well outside the project area in the subject pool.

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

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

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APPROVAL 02-07-004

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


IN THE MATTER of a Concurrent Production scheme of Calpine Canada Resources Company (Calpine) for producing the Two Rivers Siphon "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 the Concurrent Production scheme of Calpine for oil and gas production with project allowables, as such scheme is described in

an Application from Calpine to the Commission dated May 13, 2002 and related submission.

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

1. The area of the scheme shall consist of Section 5 of Township 83 Range 16 W6M.
2. The daily oil allowable is 40.0 m³.
3. Gas production will be limited to 60.0 10³m³/d.
4. All produced gas must be conserved.
5. The requirements of section 9 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.
6. 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 21st day of June, 2002.