



May 28, 2001

8400-4805-59240-07
OGC - 01119

Shauna J. Clarey
Engineering Technician
Calpine Canada Resources Ltd.
1800, 421 - Seventh Ave SW
Calgary AB T2P 4K9

Calpine Project (03)

Dear Ms. Clarey:

**RE: CONCURRENT PRODUCTION APPROVAL
WILDMINT LOWER HALFWAY "B" OIL POOL**

The Commission has reviewed your application dated May 9, 2001 for Good Engineering Practice and waiver of GOR penalties from a portion of the subject pool.

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

An approval was granted to Canadian Natural Resources Limited on September 22, 1989 for concurrent production of oil and gas from the northern portion of the Wildmint Lower Halfway "B" oil pool. In view of this, the Commission agrees that concurrent production approval with similar conditions is considered equitable. Accordingly, Approval 01-07-006 is hereby granted under section 97 of the Petroleum and Natural Gas Act.

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

- Wellfile (originals)
- 59240
- Daily
- Resource Revenue
- S. Chicorelli
- R. Stefik
- G. Farr
- P. Attariwala
- D. Krezanoski

ENGINEERING AND GEOLOGY BRANCH

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APPROVAL 01-07-006

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

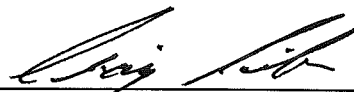
IN THE MATTER of a Concurrent Production scheme of Calpine Canada Resources Ltd. (Calpine) for producing a portion of the Wildmint Lower Halfway "B" pool without spacing and target restrictions, and with project allowables.

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 9, 2001 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 unit 5 - 7 of Block A/94-H-2.
2. The individual daily oil allowables are waived.
3. Gas production will be limited to $15.0 \times 10^3 \text{ m}^3/\text{d}$ for each oil well.
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 28th day of May, 2001.