



OIL AND GAS COMMISSION

August 27, 2003

2000-4800-59240-07  
OGC - 03229

Willem Rehm  
Reservoir Engineer  
Fort St John Asset Team  
Petro-Canada Oil & Gas  
P.O. Box 2844  
Calgary AB T2P 3E3

Lower Halfway "A" & "B" pools

Petro-Canada Project (02)  
PE # 1059

Dear Mr. Rehm:

Halfway "E" = Halfway - (02)

**RE: CONCURRENT PRODUCTION AND COMMINGLING APPROVAL  
BOUNDARY LAKE - HALFWAY "E", L HALFWAY "A" & "B" POOLS**

The Commission has reviewed your application dated May 30, 2003 for Concurrent Production and commingling of Upper Halfway and Lower Halfway in the wells 1-23 and A16-23-85-14 W6M.

Based on the Commission's geological interpretation, the Upper Halfway in both the 1-23 and A16-23 wells has been designated as the Halfway "E" pool. As for the Lower Halfway, the Commission geological interpretation places 1-23 in the Lower Halfway "A" and A16-23 in the Lower Halfway "B" pools.

Concurrent Production with commingling of the Halfway "E" pool with that of Lower Halfway "A" and "B" is considered appropriate in this case. No objections were received following a publication of notice of the application in the BC Gazette. Accordingly, Approval 03-07-005 is hereby granted under section 97 of the Petroleum and Natural Gas Act.

Please note that the production allocation must be reported on the Ministry of Provincial Revenue BC S-1 and BC S-2 forms as per conditions 5 and 6 of the approval.

Should you have any questions, please contact Peter Attariwala at (250) 952-0311 or Ron Stefik at (250) 952-0310.

Sincerely,

Craig Gibson, P. Eng.  
Manager  
Reservoir Engineering and Geology

Attachment

Approval Letters to Industry  
GEP, SWD, CONCURRENT PROD,  
PRESSURE MAINTENANCE,  
WATERFLOOD, ETC.

Copy 10

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

ENGINEERING AND GEOLOGY BRANCH

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APPROVAL 03-07-005

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

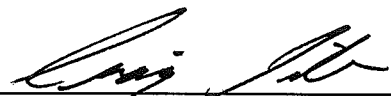
IN THE MATTER of a Concurrent Production scheme of Petro-Canada Oil and Gas (Petro-Canada) for producing the Boundary Lake Halfway "E" pool commingled with Lower Halfway "A" and "B" oil pools with a project oil and gas allowable.

NOW, THEREFORE, the Commission, pursuant to section 97 of the Petroleum and Natural Gas Act, hereby approves the Concurrent Production scheme and commingling of oil and gas production with project allowables, as such scheme is described in

*an Application from Petro-Canada to the Commission dated May 30, 2003 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 sec 23 of 85-14 W6M.
2. The project daily oil allowable, being the sum of individual well allowables, is 48.1 m<sup>3</sup>.
3. Total gas production will be limited to 28.0 10<sup>3</sup> m<sup>3</sup>/d for each well.
4. All produced gas must be conserved.
5. For well 1-23-85-14 (WA 15094), oil, gas and water production should be allocated on the Ministry of Provincial Revenue BC S-1 and BC S-2 forms on the basis of:  
Lower Halfway "A" (UWI 100012308514W600) – 40% of oil and water and solution gas up to a GOR of 177 m<sup>3</sup>/m<sup>3</sup>  
Halfway "E" (UWI 100012308514W602) – 60% of oil and water, and all remaining gas.
6. For well A16-23-85-14 (WA 15098), oil, gas and water production should be allocated on the Ministry of Provincial Revenue BC S-1 and BC S-2 forms on the basis of:  
Lower Halfway "B" (UWI 102162308514W600) – 90% of oil and water and solution gas up to a GOR of 177 m<sup>3</sup>/m<sup>3</sup>  
Halfway "E" (UWI 102162308514W602) – 10% of oil and water, and all remaining gas.
7. 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.
8. This approval may be modified or rescinded at a later date if deemed appropriate.

  
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Craig Gibson  
Manager  
Reservoir Engineering and Geology

DATED AT the City of Victoria, in the Province of British Columbia, this 27<sup>th</sup> day of August 2003.