



OIL AND GAS COMMISSION

October 15, 2002

4390-4520-59240-07
OGC - 02177

Duvernay Project (02)

Paul Walmsley, P. Eng.
Vice President, Business Development
Duvernay Oil Corp.
1500, 202 - 6th Avenue S.W.
Calgary AB T2P 2R9

Dear Mr. Walmsley:

**RE: CONCURRENT PRODUCTION APPROVAL
GROUND BIRCH - CECIL "A" POOL**

The Commission has reviewed your application dated September 5, 2002 for Concurrent Production in the subject pool.

As produced gas exceeds the solution gas-oil ratio and this gas will be conserved, a Concurrent Production approval is considered appropriate in this case. No objections were received following the publication of a notice of your application in the BC Gazette.

Accordingly, Approval 02-07-006 is hereby granted under section 97 of the Petroleum and Natural Gas Act. The pool appears to be a good candidate for infill drilling. The potential for drilling additional oil wells and installing waterflood pressure maintenance within the scheme area should be considered in order to optimize oil production from the pool.

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,

**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

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

Attachment

ENGINEERING AND GEOLOGY BRANCH

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Location: 6th Flr 1810 Blanshard St. Victoria BC

Headquarters: #200, 10003 110th Ave, Fort St. John BC V1J 6M7 Tel: (250) 261-5729 Fax: (250) 261-5744 www.ogc.gov.bc.ca

APPROVAL 02-07-006

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


IN THE MATTER of a Concurrent Production scheme of Duvernay Oil Corp. (Duvernay) for producing the Groundbirch Cecil "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 Duvernay for oil and gas production with project allowables, as such scheme is described in

an Application from Duvernay to the Commission dated September 5, 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 N/2 sec 3, S/2 sec 10 and NE/4 sec 10-79-19 W6M.
2. The project daily oil allowable is waived.
3. Gas production will be limited to $15.0 \times 10^3 \text{ m}^3/\text{d}$.
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 15th day of October 2002.