



August 23, 1999

3580-4800-59240-07
OGC 990442

Mr. Geoffrey W. Beatson, P. Eng.
Encal Energy Ltd.
1800, 421 7th Ave SW
Calgary AB T2P 4K9

Encal Project (06)

Dear Mr. Beatson:

**RE: APPLICATION FOR CONCURRENT PRODUCTION
FLATROCK WEST HALFWAY 'D' OIL POOL**

This refers to your application of August 12, 1999 requesting a concurrent production scheme for a portion of the Flatrock West Halfway "D" pool.

A gas re-injection scheme operated by Rigel Oil and Gas Ltd. in this pool has recently been rescinded, due to gas cycling, and a concurrent production approval has been granted. Other wells producing from the same pool are also eligible for a production scheme that will maintain both equity and conservation. In view of this, the Approval 99-07-006 is hereby granted under Section 97 of the Petroleum and Natural Gas Act.

Previous overproduction of the individual well daily oil allowable for the well A10-35-84-17 (WA# 8455) is hereby waived.

Yours sincerely,

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

Attachment

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

Copy

- Wellfile (originals)
- 59240
- Daily
- Resource Revenue
- R. Stefik
- G. Farr

Email

- D. Krezanowski
- S. Chicorelli
- C. Gibson
- P. Attanulla*

ENGINEERING AND GEOLOGY BRANCH

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APPROVAL 99-07-006

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

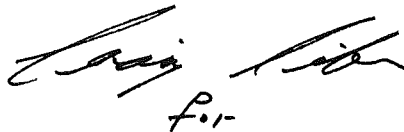
IN THE MATTER of a Concurrent Production scheme with Good Engineering Practice (GEP) of Encal Energy Ltd. (Encal) for producing a portion of the Flatrock West Halfway 'D' pool with a project oil and gas allowable.

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

an Application from Encal to the Commission dated August 12, 1999, 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 the SW/4 of Section 35-84-17 W6M.
2. The project daily oil allowable is 14.2 m³.
3. Gas production from the scheme is limited to 11.0 10³ m³/d.
4. All associated gas production must be conserved.
5. An oil well may be drilled anywhere within the project area provided that it is 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.



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

DATED AT the City of Victoria, in the Province of British Columbia, this 27th day of August, 1999.