November 19, 1999

3600-4580-59240-07 OGC 990517

Mr. Dennis Taylor Senior Engineering Technologist Calahoo Petroleum Ltd. 400, 407-2nd Street S.W. Calgary AB T2P 2Y3

Calahoo Project (05)

Dear Mr. Taylor:

RE: CONCURRENT PRODUCTION WITH GOOD ENGINEERING PRACTICE APPROVAL AMENDMENT ** 3 FORT ST JOHN NORTH PINE "A" POOL

Attached is an amendment to the Concurrent Production Approval with Good Engineering Practice for Calahoo project in the subject pool.

Following a meeting with Petro-Canada staff on October 25, 1999, a detailed geological, geophysical and engineering review was carried out for the subject pool. Based on this review, we have concluded that an E-W fault exists just to the north of section 25 and 26–83-18 W6M. As a result the well 8-35-83-18 W6M (WA 8814) has now been removed from the North Pine "A" pool and mapped in the North Pine "C" pool.

Reserves based oil and gas allowables have now been recalculated for the oil and gas-cap mapped within the project area of the North Pine "A" pool. Accordingly, the amended approval of May 12, 1997 is hereby amended and Approval 97-07-007 (Amendment #3) granted under section 97 of the Petroleum and Natural Gas Act. Please note that both oil and gas allowables for the Petro-Canada operated Unit #1 within the North Pine "A" pool have also been recalculated.

Also, concurrent production approvals for Calahoo operated projects in the Fort St John North Pine "C" and "D" pools have been amended. These amendments are being mailed separately.

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

Sincerely	Approval Letters to Industry
/	GEP, SWD, CONCURRENT PROD,
	PRESSURE MAINTENANCE,
/ Vaio	WATERFLOOD, ETC.
B. van Oort, P. Eng.	Сору
,	Wellfile (originals)
Director	59240
Engineering and Geology Branch	Daily
	Resource Revenue
Attachment	R. Stefik
	G. Farr
ENGINEERING AND GEOLOGY BR	P. Attariwala
PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) §	C. Gibson
Location: 6 th FIr 1810 Blanshard St, Victor	D. Krezanoski
·	S. Chicorelli
Headquarters: #200, 10003 110th Ave, Fort St. John BC V1J 6M7 Tel: (250) 261-5:	

APPROVAL 97-07-007 (Amendment #3)

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

IN THE MATTER of a Concurrent Production proposal of Calahoo Petroleum Ltd. (Calahoo) for producing from the Fort St. John North Pine "A" Pool with project oil and gas allowable.

NOW, THEREFORE, the Commission, pursuant to section 97 of the Petroleum and Natural Gas Act (the Act), hereby approves an amendment to the Concurrent Production project of Calahoo for oil and gas production with project allowables.

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

- The area of the project shall consist of section 25 and 26-83-18 W6M. 1.
- The reserves based project oil allowable is 30.6 m³/d. 2.
- 3. The reserves based project gas allowable is 30.7 10³m³/d.
- 4. All associated gas production must be conserved.
- This approval may be modified or rescinded at a later date if deemed appropriate. 5.

Bou van Oort

Director

Engineering and Geology Branch

DATED AT the City of Victoria, in the Province of British Columbia, this // day of November, 1999.