

CNRL-Remington Project (05)

September 19, 1997

8100-4900-59240-07 970837

Mr. Jerry Harvey Joint Venture Manager Canadian Natural Resources Limited 2000-425 1st Street SW Calgary AB T2P 3L8

Mr. Larry Petropoulos V.P. Production, Marketing Remington Energy Ltd. 750, 550-6th Avenue SW Calgary AB T2P 0S2

Dear Sirs:

RE: APPLICATION FOR CONCURRENT PRODUCTION WITH GOOD ENGINEERING PRACTICE STODDART WEST DOIG "F" POOL

Attached is a Concurrent Production with Good Engineering Practice (GEP) scheme approval for the subject pool as requested in your joint application of July 30, 1997.

The Approval 97-07-014 is hereby granted under section 97 of the *Petroleum and Natural Gas Act*.

This approval is intended to allow operational flexibility in order to maximize oil recovery. As CNRL and Remington have made a joint application, all equity issues have been addressed. However, the approval conditions may be modified if oil wells outside the project area are completed in the subject pool by another operator.

Yours sincerely,

Bou van Oort, P. Eng.

Director

Engineering and Operations Branch

Attachment

Copies for Approval Letter to Industry (11)
RE: GEP, Sait Water Disposals, etc.

G. Miltenberger
Data Management
R. Stefik
D. Richardson (\*\*PGE\*\*)
P. Attariwala
G. Farr
S. Chicorelli (\*\*PGE\*\*)
Resource Revenue
59240
Wellfiles (originals)
Daily

## APPROVAL 97-07-014

## THE PROVINCE OF BRITISH COLUMBIA PETROLEUM AND NATURAL GAS ACT MINISTRY OF EMPLOYMENT AND INVESTMENT ENERGY AND MINERALS DIVISION

IN THE MATTER of a Concurrent Production scheme with Good Engineering Practice (GEP) of Canadian Natural Resources Limited (CNRL) and Remington Energy Ltd. (Remington) for producing the Stoddart West Doig "F" oil pool without spacing and target restrictions and with a project oil allowable.

NOW, THEREFORE, the Division Head, pursuant to section 97 of the <u>Petroleum and Natural Gas Act</u>, hereby approves a Concurrent Production project of CNRL and Remington for drilling horizontal wells without spacing and target restrictions and for concurrent production of oil and gas with oil allowable, as such scheme is described in:

a joint Application from CNRL and Remington to the Division dated July 30, 1997 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 SE/4 sec 20, N/2 sec 20, sec 21, W/2 sec 28, sec 29 and SE/4 sec 30-87-21 W6M.
- 2. The project daily oil allowable is 880 m<sup>3</sup>/d.
- 3. Gas production from the scheme area is limited to 1056 10<sup>3</sup> m<sup>3</sup>/d.
- 4. Any well exceeding a GOR of 1200 m<sup>3</sup>/m<sup>3</sup> must be shut-in.
- 5. All gas production will be conserved.
- 6. The requirements of section 9 of the *Drilling and Production Regulation* are hereby waived, provided that oil wells within the scheme area are not nearer than 100 m to the sides of the approved area.
- 7. Royalty free oil production from the discovery well Remington W Stoddart 11-29-87-21 W6M (WA 9971) is limited to a total volume of 18, 588 m<sup>3</sup> or the volume produced in the first 36 producing months, whichever is lesser.

8. This approval may be modified or rescinded at a later date if deemed appropriate.

B. van Oort, on behalf of the Division Head

Energy and Minerals Division

DATED AT the City of Victoria, in the Province of British Columbia, this day of September, 1997.