



June 14, 2002

7745-4520-59240-07
OGC - 02105

Imperial Project (03)

Carol J. Verginillo, P. Eng.
Reservoir Engineering Manager
Imperial Oil Resources
7th Floor, 237 - 4th Avenue S.W.
Calgary AB T2P 0H6

Dear Ms. Verginillo:

**RE: CONCURRENT PRODUCTION APPROVAL
SATURN - CECIL "A" POOL**

The Commission has reviewed your application dated April 25, 2002 for Concurrent Production in the subject pool.

As gas produced exceeds the solution gas-oil ratio and this gas will be conserved, a Concurrent Production approval is considered appropriate in this case.

Accordingly, Approval 02-07-003 is hereby granted under section 97 of the Petroleum and Natural Gas Act. 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.

You may wish to evaluate the potential for drilling additional oil wells and installing a waterflood pressure maintenance within the scheme area in order to optimize oil production from the pool.

This approval replaces the Good Engineering Practice Approval 97-06-002 (Amendment #2) granted on September 28, 2000.

Sincerely,

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

Attachment

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

Copy 9

<input type="checkbox"/>	Wellfile (originals)
<input type="checkbox"/>	59240
<input type="checkbox"/>	Daily
<input type="checkbox"/>	Resource Revenue
<input type="checkbox"/>	S. Chicorelli
<input checked="" type="checkbox"/>	R. Stefik
<input type="checkbox"/>	G. Farr
<input type="checkbox"/>	P. Attariwala
<input type="checkbox"/>	D. Krezanoski

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APPROVAL 02-07-003

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

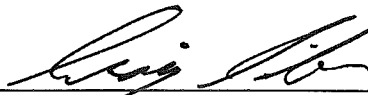
IN THE MATTER of a Concurrent Production scheme of Imperial Oil Resources (Imperial) for producing the Saturn Cecil "A" pool with a project oil and gas allowable.

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

an Application from Imperial to the Commission dated April 25, 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 26, sec 35 and NW/4 sec 36 of 80-19 W6M and sec 1 and sec 2-81-19 W6M.
2. The project daily oil allowable is waived.
3. Gas production will be limited to $56.4 \times 10^3 \text{ m}^3/\text{d}$.
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 19th day of June 2002.