



August 28, 2002

3560-6200-59240-07
OGC - 02139

Anthony F.X. Barry
President
Inisfail Energy Ltd.
600, 505 - 8th Ave. S.W.
Calgary AB T2P 1G2

Dear Mr. Barry:

**RE: CONCURRENT PRODUCTION APPROVAL
FLATROCK - BELLOY "A" POOL**

The Commission has reviewed your application dated July 12, 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 02-07-005 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.

Sincerely,

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

Attachment

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

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APPROVAL 02-07-005

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


IN THE MATTER of a Concurrent Production scheme of Inisfail Energy Ltd. (Inisfail) for producing the Flatrock Belloy "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 Inisfail for oil and gas production with project allowables, as such scheme is described in

an Application from Inisfail to the Commission dated July 12, 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 the SW/4 sec 22 of 84-16 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. Royalty-exempt oil production entitlement for the discovery well Inisfail Talisman Flatrock 07-22-84-16 W6M (WA# 7497) is limited to a volume of $3,508.7 \text{ m}^3$ or the volume produced in the first 36 producing months, whichever is lesser.
7. 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 28th day of August 2002.