

November 4, 2002

2000-4800-59240-07 OGC - 02205

Petro-Canada Project (07)

Granger J. Low, M. Eng. Reservoir Engineering Consultant Petro-Canada Oil & Gas P.O. Box 2844 Calgary AB T2P 3E3

Dear Mr. Low:

RE: CONCURRENT PRODUCTION APPROVAL BOUNDARY LAKE - HALFWAY "L" POOL

The Commission has reviewed your application dated October 4, 2002 for Concurrent Production from the Halfway pool in the Boundary Lake field underlying the NW/4 section 10-85-14 W6M.

The Commission has designated oil pool under application to be the Boundary Lake – Halfway "L" oil 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 02-07-006 is hereby granted under section 97 of the <u>Petroleum and Natural Gas Act.</u>

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, Approval Letters to Industry GEP, SWD, CONCURRENT PROD, PRESSURE MAINTENANCE, WATERFLOOD, ETC. Wellfile (originals) 59240 Daily Craig Gibson, P. Eng. Resource Revenue Manager S. Chicorelli Reservoir Engineering and Geology R. Stefik G. Farr P. Attariwala Attachment D. Krezanoski

APPROVAL 02-07-006

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

IN THE MATTER of a Concurrent Production scheme of Petro-Canada Oil & Gas (Petro-Canada) for producing the Boundary Lake Halfway "L" pool with a project oil and gas allowable.

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

an Application from Petro-Canada to the Commission dated October 4, 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 NW/4 sec 10 of 85-14 W6M.
- 2. The project daily oil allowable is 15.6 m³.
- 3. Gas production will be limited to 21.9 10³ m³/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 This approval may be modified or rescinded at a later date if deemed appropriate.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 9 day of November 2002.