December 21, 2001

1350-4100-59240-07 OGC - 01252

J.W. Worobeck, P.Eng.
Manager, Engineer
Pioneer Natural Resources Canada Inc.
2900, 255 – 5th Avenue S.W.
Calgary AB T2P 3G6

Pioneer Project (02)

Dear Mr. Worobeck:

RE: APPROVAL FOR CONCURRENT PRODUCTION BLACK CREEK BALDONNEL "A" POOL

Attached is a Concurrent Production scheme approval for the subject pool, as requested in your application dated November 21, 2001.

The Approval 01-07-010 is hereby granted under section 97 of the <u>Petroleum and Natural Gas Act</u>.

Based on the Commission's geological mapping, the Baldonnel "A" pool's oil leg would appear to be limited in size. Also, the Commission's geological interpretation shows that all gas wells in the pool are gas-cap wells to the Baldonnel "A" pool oil leg. Therefore, the concurrent production scheme area consists of the entire Baldonnel "A" pool.

You may wish to evaluate the potential for drilling additional oil wells within the scheme area in order to optimize oil production from the pool.

Sincerely,

Craig Gibson, P. Eng.

Manager

Reservoir Engineering and Geology

Attachment

GEP, SWD, CONCURRENT PR	
PRESSURE MAINTENANCE,	
WATERFLOOD, ETC.	
Copy 9	
	Weilfile (originals)
	59240
	Daily
	Resource Revenue
	S. Chicorelli
	R. Stefik
	G. Farr
	P. Attariwaia
	D. Krezanoski

Approval Letters to Industry

APPROVAL 01-07-010

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

IN THE MATTER of a Concurrent Production scheme of Pioneer Natural Resources Canada Inc. (Pioneer) for producing the Black Creek Baldonnel "A" 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 Pioneer for oil and gas production with project allowables, as such scheme is described in

an Application from Pioneer to the Commission dated November 21, 2001 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 units 54-57, 64-67, 74-79, 84-89, 92-99 of Block J/94-H-5 and units 2-9, 14-20, 24-30, 36-40, 46-50 of Block B and units 11, 21, 31 and 41 of Block C/94-H-12.
- 2. The project daily oil allowable is 61.1 m³.
- 3. The project daily gas limit is 420.0 10³ m³.
- 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 2 day of December, 2001.