



OIL AND GAS COMMISSION

December 10, 2003

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9000-2850-59240-15

OGC - 03326

Fred Luciak  
Resource Manager  
BP Canada Energy Company  
240 - 4th Avenue S.W.  
Calgary AB T2P 2H8

BP Experimental Tight Gas (02)

Dear Mr. Luciak:

**RE: EXPERIMENTAL SCHEME APPROVAL AMENDMENT #1  
NOEL AREA, NIKANASSIN FORMATION**

The Commission has reviewed your application dated December 9, 2003 requesting an amendment to the experimental scheme approval for tight gas development from the Nikanassin formation of the Noel area in northeast British Columbia.

Attached is Approval 01-15-007 (Amendment #1) for the application granted under Section 100 of the Petroleum and Natural Gas Act. As a result of the amendment, one gas spacing unit has been added to the approved experimental scheme area. It should be noted that the scheme area for the approval includes some lands presently held under Drilling Licenses. Approval amendment may be required once lease selections have been made, should BP Canada not retain control of the entire approval area.

In accordance with Section 57 of the *Drilling & Production Regulation* all well reports and well data within the scheme area will be held confidential for a period of 3 years from the effective date of scheme approval.

Please note that the progress reports, as specified in item 5 of the approval, must be submitted on an annual basis.

Sincerely,

Craig Gibson, P. Eng.  
Director  
Resource Conservation Branch

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

RESOURCE CONSERVATION BR

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**APPROVAL 01-15-007 (AMENDMENT #1)**

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

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IN THE MATTER of the experimental scheme of BP Canada Energy Company (Operator) for tight gas development of the Nikanassin formation in the Noel area of NE British Columbia.

NOW THEREFORE, the Commission, pursuant to section 100 of the Petroleum and Natural Gas Act, R.S.B.C. 1996, c.361, hereby orders as follows:

1. The experimental scheme for the development and completion of tight gas from the Nikanassin formation in the Noel area, as such proposal is described in the application to the Commission dated July 16, 2001 and December 9, 2003 is hereby amended, subject to terms and conditions herein contained.
2. The area of the experimental scheme consists of units 78-80, 88-90, 96-100 of Block C, units 71-73, 81-83, 91-93 of Block D, units 1-3, 11-19, 21-29, 32, 33, 42, 43 of Block E, units 6-10, 16-20 and 26-30 of Block F/93-P-8.
3. The gas wells within the scheme area may be produced without individual well allowable restrictions.
4. The requirements of Section 10 of the Drilling and Production Regulation are hereby waived, provided that gas wells within the scheme area are not completed nearer than 250 m to the sides of the approved scheme area.
5. The Operator must submit a progress report to the Commission annually. The progress report is due within 60 days after the end of each period and must contain:
  - a) the daily average rate of gas and water produced during each month for each producing well, and for the project as a whole,
  - b) the monthly cumulative gas and water production from each producing well, and for the project as a whole,
  - c) details of any workover or fracture treatment program done on any of the wells with results of the workovers or fracture treatment,
  - d) a discussion of the overall performance of the scheme,
  - e) an evaluation of bottom hole pressures and any other data collected,
  - f) Any other information that is considered necessary, in the opinion of the Commission, to evaluate the progress, performance and efficiency of the scheme.
6. The operations of the experimental scheme will be subject to review by the Commission. The Director, Resource Conservation or the Director, Operations Engineering, may issue guidelines regarding the operations of the scheme.
7. The approval or any condition of it may be modified or rescinded, if deemed appropriate.



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Craig Gibson  
Director  
Resources Conservation Branch

DATED AT the City of Victoria, in the Province of British Columbia, this 10<sup>th</sup> day of December 2003.