



November 25, 2002

9000-1750/2700-59240-15<sup>25</sup>  
OGC - 02217

Burlington CBM Experimental (03) & (04) #1 #2

Larry Buzan, P.Land, B. Comm  
Senior Landman  
Burlington Resources Canada Ltd.  
P.O. Box 4365  
Postal Station C  
Calgary AB T2T 5N2

Dear Mr. Buzan:

**RE: EXPERIMENTAL SCHEME APPROVALS FOR COAL BED METHANE  
FLATBED CREEK AREA, GATES AND GETHING FORMATION COALS**

The Commission has reviewed your application dated October 11, 2002 requesting experimental scheme approval for coalbed methane (CBM) exploration and production from the Gates and Gething Formation coals in the Flatbed Creek area of northeast British Columbia.

The CBM scheme is considered experimental as it involves a potentially long dewatering period with unknown gas flow rates. Approval of an experimental scheme allows determining permeability and production testing of the wells for a long period with sweet gas flaring. No objections were received following the publication of a notice of your application in the B.C. Gazette

As the requested area for the experimental scheme consists of two distinct blocks of land, two scheme approvals are considered appropriate. Accordingly, attached are Approvals 02-15-014 and 02-15-015 for the application granted under section 100 of the Petroleum and Natural Gas Act

Disposal of produced water will be to an underground formation as specified by section 94 of the *Drilling and Production Regulation (D & P Regulation)* unless otherwise approved by the Commission. Gas analyses will be required as specified by section 90 of the *D & P Regulation* unless otherwise approved by the Commission.

Sincerely,

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

Attachments

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

Copy 9

- Wellfile (originals)
- 59240
- Daily
- Resource Revenue
- S. Chicorelli
- R. Stefik
- G. Farr
- P. Attariwala
- D. Krezanoski

**ENGINEERING AND GEOLOGY BRANCH**

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0291  
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**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 Burlington Resources Canada Ltd. (Burlington), to evaluate the coalbed methane potential of the Gates and Gething Formation coals of the Flatbed Creek area of northeast British Columbia.

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

1. The experimental scheme to test coalbed methane potential by exploration and production from the Gates and Gething Formation coals in the Flatbed Creek area as described in the application from Burlington to the Commission dated October 11, 2002 is hereby approved, subject to terms and conditions herein contained.
2. The area of the experimental scheme consists of the following lands:
  - 93-I-15           Block A – unit 100
  - Block B – units 91-93, 96-100
  - Block C - unit 91
  - Block F – units 1, 11, 21, 32, 33, 42, 43, 52, 53, 62, 63, 71, 81
  - Block G – units 1-3, 6-10, 12, 13, 16-20, 22, 23, 26-30, 34, 35, 44, 45, 56-59, 66-69, 80, 90
  - Block H - unit 10.
3. Submit a report of the progress, performance and efficiency of the scheme every 6 months in the first year, and then annually thereafter, within 60 days after the end of each period. The following information must be included in the progress report:
  - The daily average rate of gas and water production during each month for each producing well, and for the scheme as a whole;
  - The monthly cumulative gas and water production for each producing well, and for the scheme as a whole;
  - Representative sample analysis of produced water obtained once each 6 months;
  - The date and type of any well treatment or workover for any well in the scheme;
  - All information gathered to evaluate the coal's reservoir qualities such as gas content, desorption analysis, injectivity tests and permeabilities of coal seams.
  - Any other information that is considered necessary, in the opinion of the Commission, to evaluate the progress, performance and efficiency of the scheme.

4. Associated gas produced during the pilot testing may be flared for a maximum period of 6 months with a total volume not to exceed  $255 \times 10^3 \text{ m}^3/\text{well}$ .
5. A well may be drilled anywhere within the scheme area provided that it is not nearer than 100 m to the sides of the scheme area.
6. The requirement to test and determine the absolute open flow potential of the wells set out in Section 84 of the *Drilling and Production Regulation* is hereby waived.
7. The requirement to measure the static bottom hole pressure of each well prior to production as set out in Section 95 of the *Drilling and Production Regulation* is hereby waived.
8. All information and analysis related to the scheme shall be made available to the Commission upon request.
9. The approval or any condition of it may be modified or rescinded upon application or if deemed appropriate by the Commission.



Craig Gibson  
Manager  
Reservoir Engineering and Geology  
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 25<sup>th</sup> day of November 2002.

**APPROVAL 02-15-015**

**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 Burlington Resources Canada Ltd. (Burlington), to evaluate the coalbed methane potential of the Gates and Gething Formation coals of the Flatbed Creek area of northeast British Columbia.

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

1. The experimental scheme to test coalbed methane potential by exploration and production from the Gates and Gething Formation coals in the Flatbed Creek area as described in the application from Burlington to the Commission dated October 11, 2002 is hereby approved, subject to terms and conditions herein contained.
2. The area of the experimental scheme consists of the following lands:  

93-I-15          Block B – units 14-17, 24-27, 34-37, 44-47, 54-57 and 64-67.
3. Submit a report of the progress, performance and efficiency of the scheme every 6 months in the first year, and then annually thereafter, within 60 days after the end of each period. The following information must be included in the progress report:
  - The daily average rate of gas and water production during each month for each producing well, and for the scheme as a whole;
  - The monthly cumulative gas and water production for each producing well, and for the scheme as a whole;
  - Representative sample analysis of produced water obtained once each 6 months;
  - The date and type of any well treatment or workover for any well in the scheme;
  - All information gathered to evaluate the coal's reservoir qualities such as gas content, desorption analysis, injectivity tests and permeabilities of coal seams.
  - Any other information that is considered necessary, in the opinion of the Commission, to evaluate the progress, performance and efficiency of the scheme.

4. Associated gas produced during the pilot testing may be flared for a maximum period of 6 months with a total volume not to exceed  $255 \times 10^3 \text{ m}^3/\text{well}$ .
5. A well may be drilled anywhere within the scheme area provided that it is not nearer than 100 m to the sides of the scheme area.
6. The requirement to test and determine the absolute open flow potential of the wells set out in Section 84 of the *Drilling and Production Regulation* is hereby waived.
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9. The approval or any condition of it may be modified or rescinded upon application or if deemed appropriate by the Commission.



Craig Gibson  
Manager  
Reservoir Engineering and Geology  
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this ~~25~~<sup>24</sup> day of November 2002.