



OIL AND GAS COMMISSION

June 18, 1999

0740-8580-59240-15
OGC 990380

Mr. Darcy Ries, P. Eng.
Senior Reservoir Engineer
Wascana Energy Inc.
P.O. Box 2727, Station M
2900, 240-4th Ave SW
Calgary, Alberta T2P 5C1

Wascana Experimental Project (04)

Dear Mr. Ries:

**RE: APPLICATION FOR EXPERIMENTAL SCHEME
BEAVER RIVER NAHANNI "A" POOL**

This is with reference to your application dated May 27, 1999 requesting approval of an experimental scheme for "dewatering" of the aquifer with concurrent gas production from the subject pool.

The Approval 99-15-001 is hereby granted under section 100 of the Petroleum and Natural Gas Act. This scheme is considered experimental as it involves the "dewatering" of the aquifer with potential for concurrent gas production. This process for producing gas has never been attempted in the Province. It is expected that by continuously producing water, aquifer encroachment should abate, resulting in economic rates of gas production.

The GEP Approval 92-06-005 granted to Beaver River Resources Ltd. on June 13, 1992 for the pool is rescinded.

Yours sincerely,

Bou van Oort, P. Eng.
Director
Engineering and Geology Branch

c: Resource Revenue Branch

Attachment

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

Copy

- Wellfile (originals)
- 59240
- Daily
- Resource Revenue
- R. Stefik
- G. Farr

Email

- D. Krezanowski
- S. Chicorelli
- C. Gibson

ENGINEERING AND GEOLOGY BRANCH

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0291

Location: 6th Flr 1810 Blanshard St, Victoria BC

Headquarters: #200, 10003 110th Ave, Fort St. John BC V1J 6M7 Tel: (250) 261-5729 Fax: (250) 261-5744 www.ogc.gov.bc.ca

APPROVAL 99-15-001


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

IN THE MATTER of the experimental scheme of Wascana Energy Inc. (Wascana), for “dewatering” of the aquifer with concurrent gas production from the Beaver River Nahanni “A” pool.

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 for dewatering with concurrent gas production from the Beaver River Nahanni “A” pool as described in the application from Wascana to the Commission dated May 27, 1999 is hereby approved, subject to terms and conditions herein contained.
2. The area of the experimental scheme consists of
 - 94-N-16: Block E, unit 91
 - Block F, units 98-100
 - Block J, units 80, 90, 100
 - Block K, units 8-10, 16-20, 26-30, 34-39, 44-49, 52-57, 62-67, 71-77, 81-87, 91-95
 - Block L, units 1, 11, 21
 - 95-C-1: Block B, fractional unit 10
 - Block C, fractional units 1, 2, 3, 4, and 5.
3. Within 60 days after the end of each 6-month period, a report of the progress, performance and efficiency of the scheme during that period must be filed. 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;
 - The date and type of any well treatment or workover for any well in the scheme;
 - Any other interpretative information that is considered necessary, in the opinion of the Commission, to evaluate the progress, performance and efficiency of the scheme.

4. All produced water from the scheme area will be disposed of into an underground formation.
5. A gas wells may be drilled anywhere within the scheme area provided that it is not nearer than 250 m to the sides of the scheme area.
6. All information and analysis related to the scheme shall be made available to the Commission upon request.
7. The scheme shall terminate as specified under the Terms and Conditions of the Royalty Agreement granted by the Minister of Energy and Mines.
8. The approval or any condition of it may be modified or rescinded at a later date if deemed appropriate.



Bou van Oort
Director
Engineering and Geology Branch
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 18th day of June, 1999.