



August 2, 2001

7740/7770-8200-59240-06
OGC - 01157

AEC Project (02)

Mr. Cam Buss, P. Eng.
AEC Oil and Gas
3700, 707 - 8th Avenue S.W.
Calgary AB T2P 1H5

Dear Mr. Buss:

**RE: GOOD ENGINEERING PRACTICE APPROVAL AMENDMENTS
SIERRA JEAN MARIE "A" AND SAHTANEH JEAN MARIE "A" POOL**

The Commission has reviewed your application dated July 20, 2001 requesting amendments to the Good Engineering Practice (GEP) scheme approvals for the Sierra Jean Marie "A" and Sahtaneh Jean Marie "A".

Attached are Approvals 00-06-001 (Amendment #1) and 00-06-002 (Amendment #1) for the application granted under Part 8, Division 6, section 101 of the British Columbia *Drilling and Production Regulation*. These approvals will allow the drilling of horizontal gas wells without regard for spacing and target regulations in order to optimize pool drainage and recovery.

As the Jean Marie within the Sierra field is in a development stage, some requested lands have been excluded from the approved area. However, the GEP approval area may be modified at a future date to reflect successful completions of Jean Marie gas wells.

Should you have any questions, please contact Peter Attariwala at (250) 952-0311.

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

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APPROVAL 00-06-001 (AMENDMENT #1)

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

IN THE MATTER of a Good Engineering Practice (GEP) scheme of AEC Oil and Gas (AEC) for producing Sierra Jean Marie "A" pool gas wells without spacing and target restrictions.

NOW, THEREFORE, the Oil and Gas Commission (Commission), pursuant to Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*, hereby approves an amendment to the GEP scheme of AEC for drilling horizontal wells without spacing and target restrictions, as such scheme is described in *an Application from AEC to the Commission dated February 15, 2000 and July 20, 2001.*

This scheme is approved, subject to the conditions herein contained and, in particular:

1. The area of the project shall consist of

94-I-11:

Block F – unit 91

Block G - units 98-100

Block J - units 8-10, 18-20, 28-30, 34-40, 44-50, 54-60, 64-70, 74-80, 84-90, 98-100

Block K - units 1, 11-17, 21-27, 31-39, 41-49, 51-59, 61-69, 71-79, 81-89, 91, 94-100

Block L - units 18-20, 28-30, 36-39, 46-49, 56-59, 66-69, 72-79, 82-89, 91-93

94-I-12:

Block I - units 11, 21

94-I-13:

Block A – units 11, 21

94-I-14:

Block B - units 8-10, 40, 50, 60, 70, 100

Block C - units 1, 4-10, 16-20, 26-30, 31-70, 72-80, 82-90, 91-100

Block D - units 1-3, 11-39, 41-49, 51-57, 61-67, 71-75, 81-85, 91-95

Block E - units 1-5, 11-15, 21-25, 31-35, 41-45, 51, 54-57, 61, 64-67

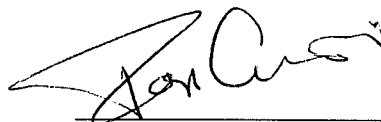
Block F - units 1-55, 60, 61-65, 70, 71-73, 81-83, 91-95

Block G - units 10, 20, 30, 38-40, 48-50, 58-60, 68-70, 72-80, 82-90, 92-100

Block J – units 2-10, 20, 30, 60, 70 and

Block K – units 1-5, 11-19, 21-29, 32-35, 42-45, 51-55, 61-65.

2. The requirements of Section 10 of the Drilling and Production Regulation are hereby waived, provided that gas wells within the project area are not completed nearer than 250 m to the sides of the approved project area.
3. The gas wells within the project area may be produced without individual well allowable restrictions.
4. This approval may be modified or rescinded at a later date if deemed appropriate.



Ross Curtis
Acting Commissioner
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 2nd day of August 2001.

APPROVAL 00-06-002 (Amendment #1)

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

IN THE MATTER of a Good Engineering Practice (GEP) scheme of AEC Oil and Gas (AEC) for producing Sahtaneh Jean Marie "A" pool gas wells without spacing and target restrictions.

NOW, THEREFORE, the Commission, pursuant to Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*, hereby approves an amendment to the GEP scheme of AEC for drilling horizontal wells without spacing and target restrictions, as such scheme is described in

an Application from AEC to the Commission dated February 15, 2000 and July 20, 2001.

This scheme is approved, subject to the conditions herein contained and, in particular:

1. The area of the project shall consist of

94-I-12:

Block I - unit 100

Block J - units 74-77, 84-87, 91, 94-99

94-I-13:

Block A - units 10, 20, 30, 40, 50, 58-60, 68-70, 78-80, 88-90, 96-99

Block B - units 1, 4-9, 11-17, 21-27, 31-35, 41-45, 51-57, 61-67, 71-73, 76, 77, 81-83, 86, 87

Block G - units 11, 21, 31, 41 and

Block H - units 6-9, 16-20, 26-30, 38-40, 48-50.

2. The requirements of Section 10 of the *Drilling and Production Regulation* are hereby waived, provided that gas wells within the project area are not completed nearer than 250 m to the sides of the approved project area.
3. The gas wells within the project area may be produced without individual well allowable restrictions.
4. This approval may be modified or rescinded at a later date if deemed appropriate.



Ross Curtis
Acting Commissioner
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 2nd day of July 2001.