



April 25, 2000

7740/7770-8200-59240-06
OGC - 000126

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

AEC Project (02)

Dear Mr. Buss:

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

The Commission has reviewed your application dated February 15, 2000 requesting Good Engineering Practice (GEP) scheme approvals for the Kyklo/Sierra areas Jean Marie formation.

The Commission designates these GEP's to be within the Sierra and Sahtaneh fields.

The Approvals 00-06-001 and 00-06-002 are hereby 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. No objections were received following publication of a notice of your application in two issues of the BC Gazette.

As the development of the Jean Marie within the areas of the applications is at an early stage, some requested lands have been excluded from the approved area, especially in the Sierra field. 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,

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

Attachments

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

ENGINEERING AND GEOLOGY BRANCH
PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0311
Location: 6th Flr 1810 Blanshard St, Victoria BC

APPROVAL 00-06-002

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 Oil and Gas Commission (Commission), pursuant to Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*, hereby approves 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.

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

94-I-13:

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

Block B - units 4-9, 12-17, 22-27, 31-35, 41-45, 51-55, 61-65, 71-73, 81-83

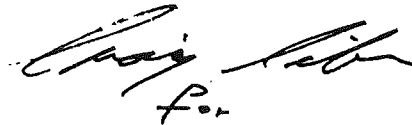
Block G - units 11, 21, 31, 41 and

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.



Bou van Oort
Director
Engineering and Geology Branch

DATED AT the City of Victoria, in the Province of British Columbia, this 25th day of April 2000.