



OIL AND GAS COMMISSION

January 29, 2004

4200/4470/9000-8600-59240-06
OGC - 04031

Peter Chernik, P. Eng.
Reservoir Engineering Advisor
Apache Canada Ltd.
Suite 1000, 700 - 9th Avenue S. W.
Calgary AB T2P 3V4

Dear Mr. Chernik:

**RE: GOOD ENGINEERING PRACTICE APPROVALS
GOTE - PINE POINT "A" POOL
GUNNELL - PINE POINT "A" POOL
OTHER AREA - PINE POINT FORMATION**

Apache Project (02)
Apache Project (02)
Apache Project (02)

The Commission has reviewed your applications dated December 1, 2003 requesting GEP scheme approval for the reefs of Missile, Gunnell and Brandt area pools, with commingling of the Slave Point and Pine Point formation of the Gunnell and Other Area reef.

The Commission has designated the gas pool in the Missile reef to be Gote - Pine Point "A" pool, Gunnell reef to be Gunnell - Pine Point "A" pool and the Brandt reef to be an Other Area - Pine Point formation. No Slave Point pay has been attributed to any of the wells drilled so far. However, if Slave Point gas wells are drilled at a future date, the GEP scheme approvals with commingling of the Slave Point and Pine Point may be approved at that time.

Attached are the Good Engineering Practice (GEP) scheme approvals 04-06-008, 04-06-009 and 04-06-010 for the Gote, Gunnell and Other Area, respectively. These approvals are hereby granted under Part 8, Division 6, Section 101 of the British Columbia *Drilling and Production Regulation*. The approvals will allow the drilling of gas wells without regard for spacing and target regulations in order to optimize pool drainage and recovery. No objections were received following a publication of notice of the applications in the BC Gazette.

Please note that a project daily gas allowable has not been specified in the GEP approvals. However, a gas allowable may be imposed at a later date if water drive is suspected in the pool, as per Section 88(1)(d) of the *Regulation*.

Should you have any questions, please contact Peter Attariwala at (250) 952-0311 or Ron Stefik at (250) 952-0310.

Sincerely,

Craig Gibson, P. Eng.
Director
Resource Conservation Branch

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

RESOURCE CONSERVATION

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3. Tel: (250) 952-0302 Fax: (250) 952-0301
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 04-06-010

**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 Apache Canada Ltd. (Apache) for producing the Pine Point formation gas of the Other Area without well spacing, target and production restrictions.

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

an Application from Apache to the Commission dated December 1, 2003 and related submission.

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

1. The area of the project shall consist of:

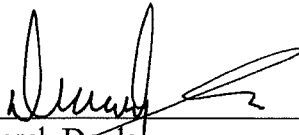
94-O-1:

Block I - units 51, 61, 71, 81

94-P-4:

Block L – units 58-60, 68-70, 80 and 90.

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.


Derek Doyle
Commissioner
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 29 day of January 2004.