

January 17, 2005

6430-2200-59240-06 OGC - 05013

Avenir Operating Corp. 300, 808 – 1<sup>st</sup> Street S.W. Calgary AB T2P 1M9

Peregrine Energy Ltd. 540, 734 – 7<sup>th</sup> Ave S.W. Calgary AB T2P 3P8 Esso Project (03)

Dear Sirs:

RE: GOOD ENGINEERING PRACTICE APPROVAL NOEL FIELD - CADOTTE "A" POOL

A Good Engineering Practice (GEP) approval was issued March 28, 1989 (copy attached) for a portion of the Noel field Cadotte "A" pool. Avenir Operating Corp. and Peregrine Energy Ltd. are the current registered owners of Petroleum and Natural Gas lease 12660, containing the rights within this approval area.

The purpose of the subject GEP approval was to remove the individual well daily gas allowable (DGA) on the well Avenir et al Noel a-29-D/93-P-8 (WA# 6845), the sole producing well within the approval area. Prior to January 1, 1990, all producing gas wells were subject to an individual well DGA, limiting the production rate. However, under the current *Drilling and Production Regulation*, a DGA would no longer apply to this well.

As the original sole purpose of the GEP approval was to remove the individual well DGA, the Commission is considering rescinding the approval. Should your company have reason why this should not occur, please respond in writing to this office no later than February 4, 2005.

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

Sincerely,

Craig Gibson. P. Eng.

Director

Resource Conservation Branch

Attachment

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              |
|      | R. Slocomb           |
|      | D. Krezanoski        |