

Copies for Approval Letter to Industry (11)
RE: GEP, Salt Water Disposals, etc.

<input type="checkbox"/>	G. Miltenberger
<input type="checkbox"/>	Data Management
<input checked="" type="checkbox"/>	R. Stefik
<input type="checkbox"/>	D. Richardson
<input type="checkbox"/>	P. Attariwala
<input type="checkbox"/>	G. Farr
<input type="checkbox"/>	S. Chicorelli
<input type="checkbox"/>	Resource Revenue
<input type="checkbox"/>	59240
<input type="checkbox"/>	Wellfiles (originals)
<input type="checkbox"/>	Daily

August 5, 1998

6460-4520-59240-06
980625

Mr. Terry Mah
Senior Engineer
Calahoo Petroleum Ltd.
400 407 2nd St SW
Calgary AB T2P 2Y3

Calahoo Project (02)

Dear Mr. Mah:

**RE: GOOD ENGINEERING PRACTICE (GEP) APPROVAL
OAK CECIL "K" OIL POOL**

This refers to your application of July 16, 1998 requesting a Good Engineering Practice scheme approval for the Oak Cecil "K" single well pool.

The Approval 98-06-005 is hereby granted under Part 8, Division 6, Section 104 of the British Columbia *Drilling and Production Regulation*.

Please note that this approval may be amended if an oil well outside the project area is successfully completed in the subject pool by another operator.

Yours sincerely,



Bou van Oort
Director
Engineering and Operations Branch

Attachment

APPROVAL 98-06-005

**THE PROVINCE OF BRITISH COLUMBIA
PETROLEUM AND NATURAL GAS ACT
DRILLING AND PRODUCTION REGULATION
MINISTRY OF ENERGY AND MINES
ENERGY AND MINERALS DIVISION**


IN THE MATTER of a Good Engineering Practice (GEP) scheme proposal of Calahoo Petroleum Ltd. (Calahoo) for producing the Oak Cecil "K" Pool with a project oil allowable.

NOW, THEREFORE, the Division Head, pursuant to Part 8, Division 6, Section 104 of the *Drilling and Production Regulation*, hereby approves the GEP project of Calahoo for oil and gas production with project oil, as such project is described in

an Application from Calahoo to the Division dated July 16, 1998, and related submission.

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

1. The area of the project shall consist of NW/4 Section 19 Township 86 Range 18 W6M.
2. The project daily oil allowable is 30.0 m³.
3. An oil well may be drilled anywhere within the project area provided that it is not completed nearer than 100 m to the sides of the approved area.
4. Royalty-exempt oil production from the discovery well Calahoo et al Stoddart 11-19-86-18 (WA# 11257) is limited to a volume of 11,450 m³ or the volume produced in the first 36 producing months, whichever is lesser.
5. This approval may be modified or rescinded at a later date if deemed appropriate.



Bou van Oort, on behalf
of the Division Head
Energy and Minerals Division

DATED AT the City of Victoria, in the Province of British Columbia, this 5^K day of August, 1998.