



February 26, 2004

3430-2400-59240-06
OGC - 04088

Ray Wasyliw, P.Eng.
Senior Engineer
Calpine Canada
2900, 240 - 4th Avenue SW
Calgary AB T2P 4H4

Calpine Project #1 (03)
Calpine Project #2 (04)

Dear Mr. Wasyliw:

**RE: GOOD ENGINEERING PRACTICE APPROVALS
DRAKE - NOTIKEWIN "A" POOL**

The Commission has reviewed your application dated January 16, 2004 requesting Good Engineering Practice (GEP) scheme approvals for producing Notikewin formation gas from two areas within the Drake/Ladyfern area.

The OGC has mapped the zone of application as the Drake - Notikewin "A" gas pool.

Notice of your application was published in the B.C. Gazette with February 19, 2004 being the last date for any objections. A letter dated February 18, 2004 was received from Canadian Natural Resources Limited asking that a limit of two wells be imposed along the border of the GEP to protect offsetting titleholders interest. The Commission believes that the drilling of wells at higher density within a GEP should be decided by well economics and has not imposed a spacing density limit to the approval. However, a daily gas allowable limit has been applied as a condition for gas spacing units bordering the GEP scheme area.

Attached are two Good Engineering Practice (GEP) scheme approvals for a portion of the subject pool. The Approvals 04-06-020 (Calpine Project #1) and 04-06-021 (Calpine Project #2) are hereby granted under Part 8, Division 6, Section 101 of the British Columbia *Drilling and Production Regulation*. These approvals are intended to allow operational flexibility and to allow the drilling and production of additional gas wells for maximization of gas recovery.

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

Sincerely,

Craig Gibson, P. Eng.
Director
Resource Conservation Branch

Attachments

Cc: Guy Wylie, P.Eng., Canadian Natural Resources

Approval Letters to Industry
GEP, SWD, CONCURRENT PROD,
PRESSURE MAINTENANCE,
WATERFLOOD, ETC.

Copy 9

- Wellfile (originals)
- 59240
- Dally
- Resource Revenue
- S. Chicorelli
- R. Stefik
- G. Farr
- P. Attariwala
- D. Krezanoski

RESOURCE CONSERVATION BRANCH

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

APPROVAL 04-06-020

**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 Calpine Canada (Calpine) for producing a portion of the Drake – Notikewin “A” pool without spacing 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 Calpine as such scheme is described in

an Application from Calpine to the Commission dated January 16, 2004 and related submission.

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

1. The area of the scheme shall consist of:


94-H-1: Block K – units 38, 39, 48, 49, 58-60, 68-70, 78-80, 88-90
Block L – units 51, 61, 71-73, 81-83.

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. Gas wells located within spacing areas adjoining the border of the GEP area must be restricted to a daily gas allowable of $60.0 \times 10^3 \text{m}^3$, per spacing area, as per Section 88(7) of the *Regulation*.

5. This approval may be modified or rescinded at a later date if deemed appropriate.


Kameron Jones
Deputy Commissioner
Oil and Gas Commission

DATED AT the City of Fort St John, in the Province of British Columbia, this 24th day of February 2004.

APPROVAL 04-06-021

**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 Calpine Canada (Calpine) for producing a portion of the Drake – Notikewin “A” pool without spacing 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 Calpine as such scheme is described in

an Application from Calpine to the Commission dated January 16, 2004 and related submission.

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


1. The area of the scheme shall consist of:

94-H-1: Block K – units 32, 33, 42 and 43.

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. Gas production from the scheme area must be restricted to a daily gas allowable of $60 \times 10^3 \text{ m}^3$.

4. This approval may be modified or rescinded at a later date if deemed appropriate.



Kameron Jones
Deputy Commissioner
Oil and Gas Commission

DATED AT the City of Fort St John, in the Province of British Columbia, this 24 day of February 2004.