



June 18, 1999

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

9000-2900-59240-06
990379

Mr. Ross Gourlay
Senior Engineer
Dominion Energy Canada Ltd.
Suite 2000
400 - 3rd Avenue SW
Calgary AB T2P 4H2

- Copy
- Wellfile (originals)
 - 59240
 - Daily
 - Resource Revenue
 - R. Stefik
 - G. Farr
- Email
- D. Krezanowski
 - S. Chicorelli
 - C. Gibson

Dear Mr. Gourlay:

**RE: REQUEST FOR GOOD ENGINEERING PRACTICE APPROVAL
Remington N Buick c-36-K/94-A-14 (WA 11366); Dunlevy**

The Commission has reviewed your application dated June 4, 1999, requesting a Good Engineering Practice scheme approval from the subject well. This request was made by your company, the successor company to Remington Energy.

The Commission maps this well as a single well pool that was granted new pool discovery status. The potential size of the pool has not been adequately defined to grant approval of your application at this time. Additional drilling and/or pressure information is required before a GEP application can be considered.

However, in order to gain additional production information, an annualized oil production allowable is hereby approved and past overproduction is waived, under section 74 of the *Drilling and Production Regulation*. A GOR adjustment factor of 0.18, based on production totals following the well's test period, has been used to determine the production target for the 1998-99 production year. The resulting **annual target production is 670.1 m³**. The GOR adjustment factor for subsequent years shall be based on the previous year's total production.

This approval is conditional upon Dominion Energy Canada Ltd. (DECL) obtaining a representative static gradient pressure test on the well prior to resuming production.

...2

ENGINEERING AND GEOLOGY BRANCH

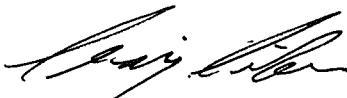
PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0291
Location: 6th Flr 1810 Blanshard St, Victoria BC

Headquarters: #200, 10003 110th Ave, Fort St. John BC V1J 6M7 Tel: (250) 261-5729 Fax: (250) 261-5744 www.ogc.gov.bc.ca

As the discovery well of an oil pool, the subject well is entitled to an exemption from royalty payment for the first 36 producing months. By exceeding the monthly target production allowable, DECL would be obtaining undue royalty free oil. To correct for this, a royalty exemption volume cap has been established for the well. Based on the production target for an initial 36 month period, with GOR adjustment factors, the **royalty exempt volume cap is 3,350.4 m³** or the volume produced in the first 36 producing months, whichever is lesser. This cap is subject to review and amendment.

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

Sincerely,



Craig Gibson
Manager, Reservoir Engineering
Engineering and Geology Branch

c: Resource Revenue Branch, Ministry of Energy and Mines