



January 31, 2003

9000-2800/2850-59240-06  
OGC - 03030

Darrell Wardberg, P. Eng.  
Engineering Consultant  
El Paso Oil & Gas Canada, Inc.  
7<sup>th</sup> Floor, 150 - 6<sup>th</sup> Avenue S.W.  
Calgary AB T2P 3Y7

El Paso Project (02)

Dear Mr. Wardberg:

**RE: GOOD ENGINEERING PRACTICE APPROVAL  
GRIZZLY/OJAY AREA - CADOMIN AND NIKANASSIN FORMATIONS**

The Commission has reviewed your application dated December 18, 2002 requesting a Good Engineering Practice (GEP) approval to produce gas from the Cadomin and Nikanassin formations in the Grizzly/Ojay area of the northeast British Columbia.

Attached is Approval 03-06-004 for the application granted under Part 8, Division 6, section 101 of the British Columbia *Drilling and Production Regulation*. This approval will allow the drilling of gas wells without regard for spacing and target regulations in order to optimize pool drainage and recovery. Notice of your application was published in the B.C. Gazette. A letter dated December 19, 2002 was received from Canadian Natural Resources Limited advising that a production limit of 5 mmcf/d be applied to the GEP scheme approval. Accordingly, total combined gas production from the scheme is limited to 140.9 10<sup>3</sup> m<sup>3</sup>/d.

Please note that the interim commingling approval granted on June 27, 2002 is hereby granted formal status. Production allocation of 25% to the Cadomin and 75% to the Nikanassin formations is hereby approved, under the authority of section 41 of the *Drilling and Production 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.  
Manager  
Reservoir Engineering and Geology

Attachment

cc: Cassandra Lai, Canadian Natural Resources Limited.

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

Copy 9

- |                          |                      |
|--------------------------|----------------------|
| <input type="checkbox"/> | Wellfile (originals) |
| <input type="checkbox"/> | 59240                |
| <input type="checkbox"/> | Daily                |
| <input type="checkbox"/> | Resource Revenue     |
| <input type="checkbox"/> | S. Chicorelli        |
| <input type="checkbox"/> | R. Stefik            |
| <input type="checkbox"/> | G. Farr              |
| <input type="checkbox"/> | P. Attariwala        |
| <input type="checkbox"/> | D. Krezanoski        |

**ENGINEERING AND GEOLOGY BRANCH**

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

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

APPROVAL 03-06-004

**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 El Paso Oil and Gas Canada, Inc. (El Paso) for producing gas from the Cadomin and Nikanassin formations of the Grizzly/Ojay area of northeast British Columbia without well spacing and target 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 El Paso for drilling wells without spacing and target restrictions, as such scheme is described in

*an Application from El Paso to the Commission dated December 18, 2002.*

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

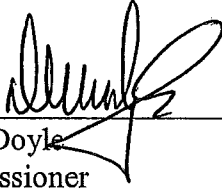
1. The area of the scheme shall consist of:

93-I-16: Block C – units 18, 19, 28, 29, 38, 39, 48 and 49.

2. The requirements of Section 10 of the *Drilling and Production Regulation* are hereby waived, provided that gas wells within the scheme area are not completed nearer than 250 m to the sides of the approved scheme area.

3. Gas production from the scheme is limited to  $140.9 \times 10^3 \text{ m}^3/\text{d}$ .

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 Fort St. John, in the Province of British Columbia, this 27 day of January 2003.