



OIL & GAS COMMISSION

March 22, 1999

File: 5858-2600-59240-06
OGC990231

Ms. Bev Prefontaine
Reservoir Technologist
Encal Energy Ltd.
1800, 421 Seventh Avenue SW
Calgary AB T2P 4K9

Encal Project (02)

Dear Ms. Prefontaine:

**RE: GOOD ENGINEERING PRACTICE APPROVAL
MERCURY - BLUESKY "A" POOL**

The Commission has reviewed your application dated February 17, 1999 requesting Good Engineering Practice (GEP) approval for the Mercury Bluesky "A" gas pool.

The GEP Approval 99-06-003 is hereby granted under Part 8, Division 6, Section 101 of the *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.

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

Sincerely,

B. van Oort, P. Eng.
Director
Engineering and Geology Branch

Attachment

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

Copy

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

APPROVAL 99-06-003

**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 Encal Energy Ltd. (Encal) for producing Mercury Bluesky "A" gas wells without spacing and target restrictions.

NOW, THEREFORE, the Oil and Gas Commission (Commission), pursuant to Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*, hereby approves the GEP scheme of Encal as such scheme is described in

an Application from Encal to the Commission dated February 17, 1999.

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

1. The area of the project shall consist of

Block A/94-H-11: units 34-39, 44-49, 54-59, 64-69, 74-77 and 84-87.

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 project area.

3. The gas wells within the project area may be produced without individual well allowable restrictions.

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 This approval may be modified or rescinded at a later date if deemed appropriate.



Bou van Oort
Director
Engineering and Geology Branch

DATED AT the City of Victoria, in the Province of British Columbia, this 22 day of March 1999.