



Copies for Approval Letter to Industry (11)

RE: GEP, Salt Water Disposals, etc.

- G. Miltenberger
- Data Management
- R. Stefik
- D. Richardson
- P. Attariwala
- G. Farr
- S. Chicorelli
- Resource Revenue
- 59240
- Wellfiles (originals)
- Daily

7600-4520-59240-06
980707

September 23, 1998

Mr. Geoff W. Beatson, P. Eng.
Encal Energy Ltd.
1800, 421 - 7th Ave SW
Calgary, AB T2P 4K9

Encal Project (02)

Dear Mr. Beatson:

RE: GOOD ENGINEERING PRACTICE APPROVAL
RIGEL CECIL "H" POOL

Attached is a Good Engineering Project (GEP) scheme approval for the subject pool as requested in your application of September 8, 1998.

The Approval 98-06-007 is hereby granted under Part 8, Division 6, section 104 of the British Columbia *Drilling and Production Regulation*.

The GEP scheme approval is an interim approval intended to allow operational flexibility in order to obtain additional production for performance evaluation.

Please note that notice of your application for a waterflood pressure maintenance in the subject pool has been published in *The British Columbia Gazette*. If no objections are received by October 8, 1998 the application may be approved.

Yours sincerely,

Bou van Oort, P Eng.
Director
Engineering and Operations Branch

PSA/mef

Attachment

Ministry of
Energy and Mines

Energy and Minerals Division
Engineering and Operations Branch

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Victoria BC V8W 9N3
Telephone: (250) 952-0302
Facsimile: (250) 952-0291

Location:
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1810 Blanshard Street
Victoria BC V8T 4J1



APPROVAL 98-06-007

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

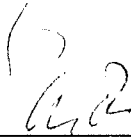
IN THE MATTER of a Good Engineering Practice (GEP) project of Encal Energy Ltd. (Encal) for producing the Rigel Cecil "H" pool under a pool oil allowable.

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 Encal for producing with a pool oil allowable, as such scheme is described in:

an Application from Encal to the Division dated September 8, 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 sec 11, W/2 sec 13, sec 14, sec 23 and 24 Township 88 Range 18 W6M.
2. The project daily oil allowable is 200 m³.
3. The requirements of section 9 of the *Drilling and Production Regulation* are hereby waived, provided that oil wells within the scheme area are not completed nearer than 100 m to the sides of the approved area.
4. All produced gas must be conserved.
5. Royalty exempt oil production from the discovery well 15-11-88-18 W6M (WA 10636) is limited to a volume of 11, 450 m³ or the volume produced in the first 36 producing months, whichever is lesser.
6. 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 23 day of September, 1998.