



BRITISH
COLUMBIA

March 5, 1998

File: 59070-04
Reference: 980286

Mr. B. W. Temple
Senior Production Engineer
Imperial Oil Resources Ltd.
Box 2480, Station M
Calgary, AB T2P 3M9

Dear Mr. Temple:

**RE: APPROVED 1997-1998 ANNUAL ALLOWABLE
SATURN CECIL "A" GOOD ENGINEERING PRACTICE**

The Ministry has reviewed your application, dated March 3, 1998, requesting that the Daily Oil Allowable (DOA) granted for the subject pool be approved on an annualized allowable basis.

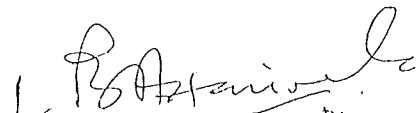
A Good Engineering Practice (GEP) was approved March 20th, 1997 for this pool, with a project DOA of 24.2 m³. An Annual Oil Allowable is hereby approved for the 1997-1998 production year, under section 77(2) of the *Drilling and Production Regulation*. This approval is intended to allow operating flexibility for reserves determination.

A GOR adjustment factor of 0.91, based on the pool production totals of gas and oil from the previous production year, will be applied to the 1997-98 production year (November 1, 1997 - October 31, 1998) allowable. Overproduction from the previous year amounted to 234.1 m³. The net result is a **production target of 7803.9 m³**.

As noted in our letter of March 20, 1997, the GEP approval will terminate December 31, 1998.

If you have any questions, please contact the undersigned at (604) 952-0310.

Sincerely,


for Ron G. Stefik

Sr. Reservoir Engineering Technician
Engineering and Operations Branch

| Copies for Annual Oil Allowables (5) | |
|--------------------------------------|----------------------|
| <input type="checkbox"/> | G. Miltenberger |
| <input checked="" type="checkbox"/> | R. Stefik |
| <input type="checkbox"/> | Wellfile (originals) |
| <input type="checkbox"/> | 59070-04-01 |
| <input type="checkbox"/> | Daily |