



March 20, 1997

7745-4520-59240-06

Mr. D.E. Courtnage, P. Eng.
Reservoir Engineering Specialist
Imperial Oil Resources Limited
237 Fourth Avenue S.W.
Calgary, AB T2P 0H6

IMPERIAL PROJECT (02)

Dear Mr. Courtnage:

**RE: APPLICATION FOR GOOD ENGINEERING PRACTICE
SATURN CECIL "A" POOL**

Attached is a Good Engineering Practice (GEP) scheme approval for the subject pool, as requested in your application dated March 7, 1997.

The Approval 97-06-002 is hereby granted under Part 8, Division 6, section 104 of the British Columbia Drilling and Production Regulation.

This approval is intended to allow operational flexibility in order to maximize oil recovery. There are no equity issues at this time, however the approval conditions may be modified if oil wells outside the project area are completed in the subject pool by another operator.

It should be noted that we anticipate early implementation of a secondary scheme in the pool. Accordingly, this GEP approval will terminate on December 31, 1998.

Yours sincerely,

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

Attachment

**Copies of Approval Letter to Industry (11)
RE: GEP, Salt Water Disposals, etc.**

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



APPROVAL 97-06-002

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

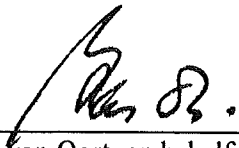
IN THE MATTER of a Good Engineering Practice (GEP) scheme of Imperial Oil Resources Limited (Imperial) for producing the Saturn Cecil "A" oil pool with a project oil allowable.

NOW, THEREFORE, the Division Head, pursuant to Part 8, Division 6, section 104 of the Drilling and production Regulation, hereby approves a GEP scheme of Imperial for oil production with a project allowable, as such scheme is described in:

an Application from Imperial to the Division dated March 7 and March 13, 1997.

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

1. The area of the scheme shall consist of N/2 sec 26 and sec 35-80-19 W6M, and SE/4 sec 2-81-19 W6M
2. The project oil allowable, being the sum of individual well allowables, is 24.2 m3/d.
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. Royalty free oil production from the discovery well 1-2-81-19 W6M (WA 7772) is limited to a total volume of 11,460 m³, or the volume produced in the first 36 producing months, whichever is lesser.
5. 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 24 day of March, 1997.