



May 28, 1998

File: 7340-4100-59240-06  
980455

Mr. Jonas Marshall, P. Eng.  
Norcen Energy Resources Limited  
P.O. Box 2595 Stn M  
Fifth Avenue Place 425 1<sup>st</sup> Street SW  
Calgary AB T2P 4V4

Norcen Project (02)

Dear Mr. Marshall:

**RE: GOOD ENGINEERING PRACTICE APPROVAL  
PRESPATOU - BALDONNEL FORMATION**

This is with respect to your application dated February 17, 1998 requesting that special spacing be designated for Baldonnel development in the Prespatou area.

The request for special spacing was made to allow Norcen Energy Resources Limited (Norcen) to drill horizontal wells without regard to internal well spacing boundaries. We concur with your arguments and advise that this can best be achieved by the approval of a Good Engineering Practice (GEP) scheme area.

Accordingly, the GEP Approval 98-06-002 is hereby granted under Part 8, Division 6, Section 104 of the *Drilling and Production Regulation*. Please note that the area requested by Norcen has been modified and only the active and developed area has been approved at this time. We would be prepared to modify the GEP scheme area at a later date to include other Norcen lands in the Prespatou area.

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

Yours sincerely,

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

PSA/mef

Attachment

- 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

APPROVAL 98-06-002

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

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IN THE MATTER of a Good Engineering Practice (GEP) scheme of Norcen Energy Resources Limited (Norcen) for producing the Prespatou area Baldonnel gas wells without spacing and target restrictions.

NOW, THEREFORE, the Division Head, pursuant to Part 8, Division 6, Section 104 of the *Drilling and Production Regulation*, hereby approves the GEP scheme of Norcen as such scheme is described in

*an Application from Norcen to the Division dated February 17, 1998.*

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

1. The area of the project shall consist of


94-A-14: Block J - units 92 - 95

94-H-3 : Block B - units 2 - 5, 12 - 20, 22 - 30, 34 - 40, 44 - 50, 54 - 60, 64 - 70,  
74 - 80, 84 - 90  
Block C - units 11, 21, 31, 41, 51, 61, 71 and 81.

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.

  
B. 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 29 day of May 1998.