



October 18, 2000

2200-4800/5800-4800-59240-06  
OGC-000247

Ms. Connie DeCiancio  
Regional Landman  
Petro Canada Oil and Gas  
PO Box 2844  
Calgary AB T2P 3E3

**RE: APPLICATION FOR GOOD ENGINEERING PRACTICE  
BUBBLE/LAPRISE AREAS, HALFWAY FORMATION**

On August 30, 2000, Coastal Oil and Gas Canada Inc. (Coastal) applied on behalf of the working interest partners, to amend Good Engineering Practice (GEP) Approvals 00-06-004 and 00-06-005 for portions of the Bubble/Laprise Halfway (2200-4800/5800-4800) formation to include the following lands:

- 94-G-8            Block A: units 60, 70, 80, 90, 100
- Block B: units 51-53, 61-63, 71-73, 81-83, 91
- Block G: unit 1
- Block H: unit 10

Petro Canada Oil and Gas Ltd. (PCOG) submitted an objection to the enlargement of the areas of the GEPs, on September 22, 2000, in respect of certain lands in the enlargement application and requested that these lands be excluded from the enlargement. The lands cited by PCOG include the following:

- 94-G-8            Block A: units 80, 90, 100
- Block B: units 71, 81, 91
- Block G: unit 1
- Block H: unit 10

The grounds for the PCOG objection was PCOG's working interest in the cited lands through a "Pooling and Equalization Agreement" dated February 1, 1992. The Pooling and Equalization Agreement is a private contractual matter among the parties to it. The Commission does not have authority to enforce the terms of such an agreement. Accordingly, PCOG is requested to provide by October 31, 2000, further technical, legal or other information regarding the grounds upon which its objections are based.

PCOG's attention is directed to section 8 of the Oil and Gas Commission Act that directs the Commission to encourage the use of consensual alternative dispute resolution methods to resolve disputes. If the working interest owners are unable to reach a resolution on their own initiative, the Commission may, upon application, consider authorizing a person to facilitate settlement of the dispute by a process of consensual alternative dispute resolution. However, the Commission will not intervene if the dispute is entirely in relation to a matter of a contract or agreement among the parties.

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

Yours truly,

Craig Gibson, P. Eng.  
Manager  
Reservoir Engineering and Geology

Cc: Kevin Wright (Coastal Oil and Gas Canada, Inc.)  
Wade Becker (Startech Energy Inc.)

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

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- Wellfile (originals)
- 59240
- Daily
- Resource Revenue
- S. Chicorelli
- R. Stefik
- G. Farr
- P. Attariwala
- D. Krezanoski

**ENGINEERING AND GEOLOGY BF**

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