



OIL AND GAS COMMISSION

September 11, 2000

2200-4800/5800-4800-59240-06  
OGC - 000218

Ms. Connie DeCiancio  
Regional Landman  
Petro Canada Oil and Gas  
P.O. Box 2844  
Calgary, Alberta T2P 3E3

*Coastal Project (02)*

**Re: Application for Good Engineering Practice  
Bubble/Laprise Areas, Halfway Formation**

In a letter dated May 4, 2000 (copy attached) Petro-Canada raised objections to Coastal Oil and Gas Canada, Inc.'s (Coastal) Good Engineering Practice (GEP) application for the subject pool. Petro-Canada had objected on the grounds that it was the registered mineral interest holder on a portion of the requested lands.

On August 3, 2000 the Commission approved two GEP's for the Coastal application. Copies of the approvals are attached for your reference. These approvals did not include the lands to which Petro-Canada had objected.

In a joint application dated August 30, 2000 Coastal and Startech Energy Inc. now request that the following lands be added to the GEP approvals:

- 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

Based on the records of the Ministry of Energy and Mines, Petroleum Lands Branch, gas rights for the Halfway formation within the noted lands are registered under Coastal 100%, as per P&NG leases 47236 and 47237.

The requested amendment area consists of the same lands to which Petro-Canada had objected. The Commission is prepared to amend the area of the GEP's by including the above noted lands. Therefore, unless we receive an objection supported by valid technical reasons from Petro-Canada by September 25, 2000 to the joint application by Coastal and Startech, the Commission may amend the GEP areas to include the requested lands.

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

Sincerely,

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

Attachments

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.

Copy 10

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

ENGINEERING AND GEOLOGY BR  
PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0311  
Location: 6<sup>th</sup> Flr 1810 Blanshard St, Victoria



**Oil and Gas**

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CONNIE DE CIANCIO  
Land Negotiations & Contracts  
10th Floor, 150 - 6th Avenue S.W.  
Direct Facsimile: (403) 296-5798  
Direct Line: (403) 296-3238

May 4, 2000

Via Courier

Coastal Oil & Gas Canada, Inc.  
2800, 707 - 8th Avenue S.W.  
Calgary, AB  
T2P 1H5

Attention: Carla Luiken

Re: Application for Good Engineering Practice – Halfway Formation only (the "GEP")  
Bubbles/Laprise Areas, British Columbia

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Further to our conversation of April 26<sup>th</sup>, 2000 this letter is intended to clarify the understanding reached between Coastal Oil & Gas Canada, Inc. ("Coastal") and Petro-Canada Oil and Gas ("PCOG") concerning amendments to the GEP. PCOG hereby requests that the lands listed below (the "Lands") be removed from the current GEP application submitted to the British Columbia Oil & Gas Commission on May 1, 2000. These Lands fall within the boundary of the GEP application submitted by Coastal as described in the attached letter received on April 18, 2000. Subsequently, PCOG is a registered mineral interest holder of the Halfway formation associated to the Lands and has **not** granted consent for their inclusion into the proposed GEP. PCOG has provided the attached plat showing the Lands (highlighted in yellow) proximity to the GEP area boundary.

- 94-G-8, Block A: Units 60, 70, 80, 90, 100
- 94-G-8, Block B: Units 51-53, 61-63, 71-73, 81-83, 91, 94, 95
- 94-G-8, Block G: Units 1, 4, 5, 14, 15, 24, 25
- 94-G-8, Block H: Unit 10
- 94-H-4, Block L: Units 60, 70, 80, 90

Provided that the Lands are removed from the GEP application, PCOG hereby has no further objections to the GEP as specifically described in the attached letter received from Coastal on April 18, 2000.

If you require further information please contact the undersigned directly at 296-3238.

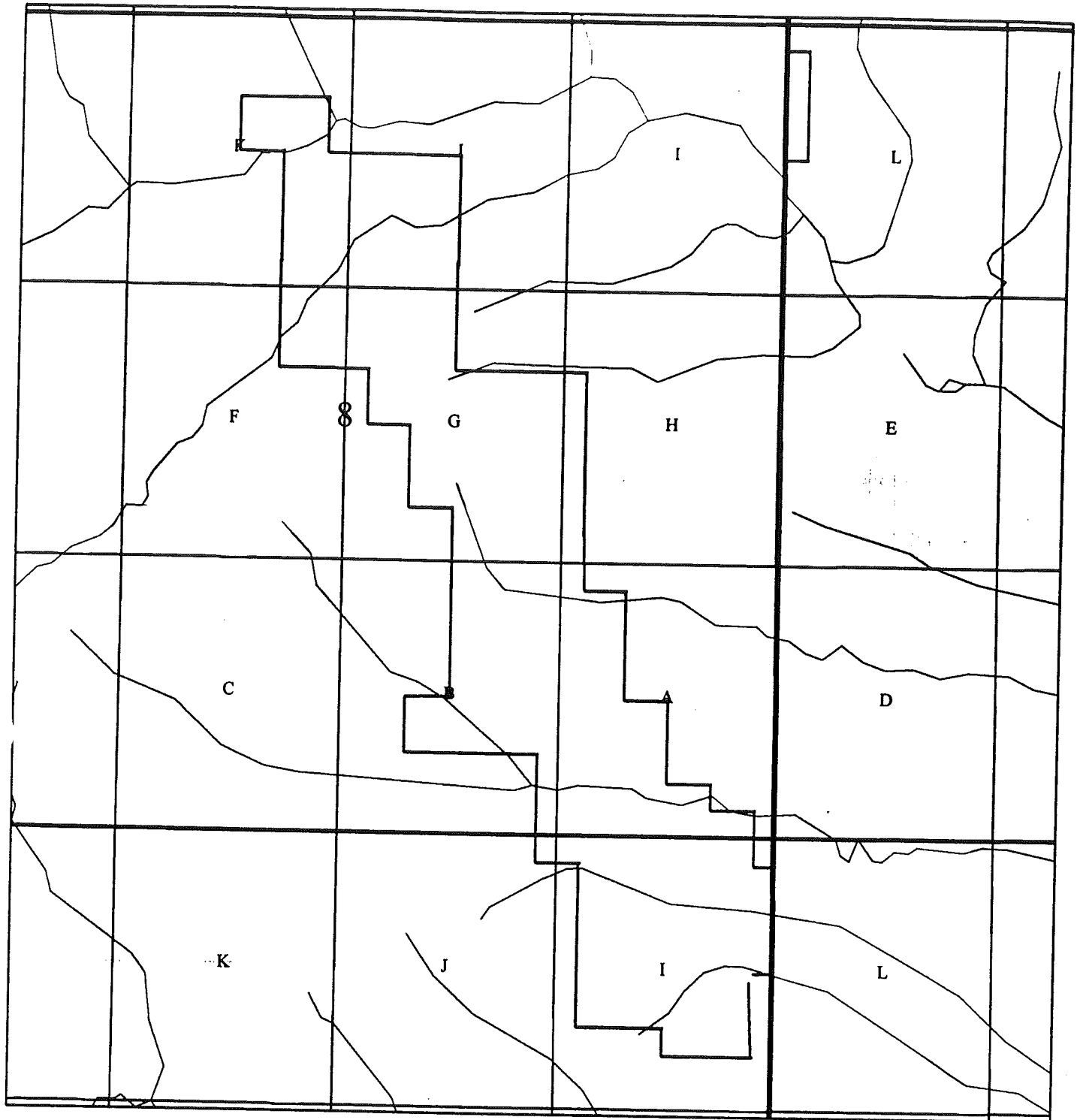
Yours Truly,

Petro-Canada Oil and Gas

  
Connie De Ciancio  
Regional Landman

Encl.


Cc. British Columbia Oil & Gas Commission, Attention: Peter Attariwala



Map Center on: B-1-G/94-G-8

**LAND LEGEND**

and:

 Leased Crown

**Petro-Canada**

**GEP Application Area  
Boundary**



Map Software by  
AccuMap EnerData,  
A Division of QC Data  
Version 4.45, Apr 1, 2000  
(403) 243-5053

Author:  
Date: May 3, 2000  
File: GEP.MAP  
Scale: 1 : 196254

Scale 1:196254





OIL AND GAS COMMISSION

August 3, 2000

2200-4800/5800-4800-59240-06  
OGC - 000205

Kerry D. Rawson, P.Eng.  
Staff Petroleum Engineer  
New Business Development  
Coastal Oil & Gas Canada, Inc.  
2800, 707 - 8<sup>th</sup> Avenue SW  
Calgary AB T2P 1H5

Dear Mr. Rawson:

**RE: GOOD ENGINEERING PRACTICE APPROVALS**  
**BUBBLES AND LAPRISE CREEK WEST HALFWAY FORMATION**

The Commission has reviewed your application dated May 17, 2000 requesting Good Engineering Practice (GEP) scheme approval for the Halfway formation in the Bubbles and Laprise areas.

Approvals 00-06-004 and 00-06-005 are hereby granted under Part 8, Division 6, section 101 of the British Columbia *Drilling and Production Regulation*. These approvals will allow the drilling of gas wells without regard for spacing and target regulations in order to optimize pool drainage and recovery. Objections received following publication of a notice of your application in two issues of the BC Gazette have resulted in a modification of the approval area from that proposed.

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

Sincerely,

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

Attachments

**THE PROVINCE OF BRITISH COLUMBIA  
PETROLEUM AND NATURAL GAS ACT  
DRILLING AND PRODUCTION REGULATION  
OIL AND GAS COMMISSION**

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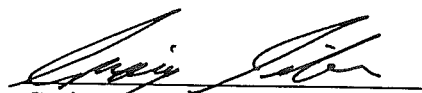
IN THE MATTER of a Good Engineering Practice (GEP) scheme of Coastal Oil & Gas Canada, Inc. (Coastal) for producing Bubbles Halfway Formation gas wells without spacing and target restrictions.

NOW, THEREFORE, the Oil and Gas Commission (Commission), pursuant to Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*, hereby approves the GEP scheme of Coastal for drilling wells without spacing and target restrictions, as such scheme is described in

*an Application from Coastal to the Commission dated May 17, 2000.*

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

1. The area of the project shall consist of;
  - 94-G-1 Block I - units 32-39, 42-49, 52-59, 62-69, 72-79, 82-89, 92-100  
Block J - unit 91
  - 94-G-8 Block A - units 2-10, 14-20, 24-30, 36-39, 46-49  
Block B - units 1, 11, 21
2. The requirements of Section 10 of the *Drilling and Production Regulation* are hereby waived, provided that gas wells within the project 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.

  
Craig Gibson  
Manager  
Reservoir Engineering and Geology

DATED AT the City of Victoria, in the Province of British Columbia, this 3<sup>rd</sup> day of August 2000.

APPROVAL 00-06-005

THE PROVINCE OF BRITISH COLUMBIA  
PETROLEUM AND NATURAL GAS ACT  
DRILLING AND PRODUCTION REGULATION  
OIL AND GAS COMMISSION

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IN THE MATTER of a Good Engineering Practice (GEP) scheme of Coastal Oil & Gas Canada, Inc. (Coastal) for producing Laprise Creek West Halfway Formation gas wells without spacing and target restrictions.

NOW, THEREFORE, the Oil and Gas Commission (Commission), pursuant to Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*, hereby approves the GEP scheme of Coastal for drilling wells without spacing and target restrictions, as such scheme is described in

*an Application from Coastal to the Commission dated May 17, 2000.*

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

1. The area of the project shall consist of;

94-G-8 Block B - units 92, 93

Block F - units 71-73, 81-83, 91-93

Block G - units 2, 3, 11-13, 21-23, 31-37, 41-47, 51-59, 61-69, 76-80, 86-90, 96-100

Block H - units 20, 30, 40, 50, 60, 70

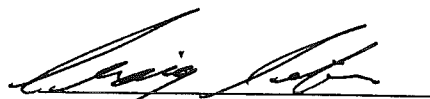
Block J - units 6-10, 16-20, 26-30, 36-40, 46-50

Block K - units 1-3, 11-13, 21-23, 31-33, 41-43, 52-55, 62-65

2. The requirements of Section 10 of the *Drilling and Production Regulation* are hereby waived, provided that gas wells within the project 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.



Craig Gibson

Manager

Reservoir Engineering and Geology

DATED AT the City of Victoria, in the Province of British Columbia, this 21<sup>st</sup> day of August 2000.