

July 24, 1997

7600-2600-59240-06

Remington Project (02)

Mr. Steve Sugianto, P. Eng. Operations Supervisor Remington Energy Ltd. Suite 600, 550-6th Avenue S.W. Calgary, AB T2P 0S2

Dear Mr. Sugianto:

GOOD ENGINEERING PRACTICE APPROVAL RE: BUICK CREEK BLUESKY "C"

Attached is a Good Engineering Practice (GEP) scheme approval for the subject area as requested in your application of June 17, 1997.

The Approval 97-06-007 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 for drilling wells without spacing and target considerations while maximizing gas recovery.

Yours sincerely,

Bou van Oort, P. Eng.

Director

Engineering and Operations Branch

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)

APPROVAL 97-06-007

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

IN THE MATTER of a Good Engineering Practice (GEP) scheme of Remington Energy Ltd. (Remington) for producing the Rigel Bluesky 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 project of Remington for drilling wells without spacing and target restrictions, as such scheme is described in

an Application from Remington to the Division dated June 17, 1997 and related submission.

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

1. The area of the scheme shall consist of:

Township 88 Range 16 section 30
Township 88 Range 17 section 4, 5, 8, 9, 16, 17, 19-30 and fractional sections 31-36
Township 88 Range 18 section 22-27 and fractional sections 34-36
94-A-10/Block I - fractional units 16-20 and units 26-30, 32-40, 42-50, 56-60, 66-70, 78, 79, 88 and 89
94-A-10/Block J - fractional units 11-20 and units 21-70, 72-80 and 82-90
94-A-10/Block K - fractional units 11-15 and units 21-25, 31-35, 41-45, 51-53, 61-63, 71, 72, 81, 82, 91 and 92

- 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 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