



OIL AND GAS COMMISSION

November 2, 1999

1400-2900-59240-06
OGC990496

Mr. Neil Roszell, P. Eng.
Senior Exploitation Engineer
Suncor Energy Inc.
Exploitation and Production
P.O. Box 38
112 - 4th Avenue S. W.
Calgary AB T2P 2V5

Suncor Project (02)

Dear Mr. Roszell:

**RE: GOOD ENGINEERING PRACTICE APPROVAL
BLUEBERRY DUNLEVY "A" POOL**

Attached is a Good Engineering Practice (GEP) scheme approval for the subject pool, as requested in your application of July 23, 1999.

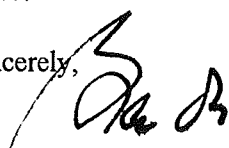
Following the publication of a gazette notice of the application, a letter dated September 27, 1999 was received from Kaiser Energy Ltd (Kaiser). In the letter, Kaiser advised that a GEP approval with a limit of 2 gas wells per GSU would only be acceptable to them. The Commission feels that within a GEP area an operator should have full flexibility to drill as many or as few wells as is necessary to effectively drain the pool. In view of this, the approved GEP area has been adjusted to include only that land for which there is full concurrence between the partners (Phillips Petroleum Resources Ltd. and Dominion Energy Canada Ltd.).

The Approval 99-06-014 is hereby granted under Part 8, Division 6, section 101 of the British Columbia *Drilling and Production Regulation*. This approval will allow the drilling of gas wells without regard for spacing and target regulations in order to optimize pool drainage and recovery.

It should be noted that production from lease line wells may be restricted to a daily gas allowable under Part 8, Div 2, section 88(7) of the *Drilling and Production Regulation*.

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

Sincerely,


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

Attachment

Cc: Mr. Edward T. Beattie (Kaiser Energy Ltd).

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

Copy

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

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

APPROVAL 99-06-014

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

IN THE MATTER of a Good Engineering Practice (GEP) scheme of Suncor Energy Inc. (Suncor) for producing Blueberry Dunlevy "A" pool 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 Suncor as such scheme is described in

an Application from Suncor to the Commission dated July 23, 1999.

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

1. The area of the project shall consist of

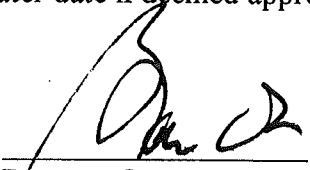
T88-R24 W6M : Sec 30 and fractional Sec 31

T88-R25 W6M : Sec 25, fractional Sec 26, fractional Sec 35 and fractional Sec 36

94-A-12 : Block K : fractional units 5-10, units 16-19, 26-29, 36-40, 46-50,
56-60 and 66-70

94-A-12 : Block L : units 31, 41, 51 and 61.

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.


Bou van Oort
Director
Engineering and Geology Branch

DATED AT the City of Victoria, in the Province of British Columbia, this 2nd day of November 1999.

November 2, 1999

Memo to File

Re: Suncor's GEP application for the Blueberry Dunlevy "A" and "B" gas pools.

Suncor's GEP application for the subject pools is justified as more than one well/DSU is required to effectively drain the reservoir. These pools were discovered in 1958, however the cumulative production for these pools is relatively small e.g. "A" pool is 41.4 bcf and the "B" pool is 48 bcf. Based on Suncor's interpretation, OGIP for the "A" pool is about 166 bcf (vs OGC's OGIP of 445 bcf) and OGIP for the "B" pool is about 115 bcf (vs OGC's OGIP of 77 bcf). New reserves based on the reservoir performance will be adopted by the OGC in the 1999 Reserves Report.

Following a notice of the Suncor's application, Kaiser Energy raised some questions concerning the need for a GEP in these pools. Kaiser operates two gas wells in each pool. Kaiser advised that they have no objection provided only 2 wells/DSU were drilled. Suncor believes that within the GEP they should be able to drill more wells, if required by poor performance.

It is recommended that we approve a GEP for each pool for an area that is controlled by Suncor, Phillips Pete and Dominion Energy (Remington). These three companies have submitted letters of support for the application. These approvals will provide operational flexibility to the operator and less onerous administration for the Commission (no DGA's required). Kaiser should have no objection to the approvals as they can request production limitation from the lease line wells as per sec 88(7) of the D&P Regs.

