

February 5, 1999

Mr. George W. Kwan

Jedney Team Engineer

P.O. Box 2595 Stn M Calgary AB T2P 4V4

Union Pacific Resources Inc.

Approval Letters to Industry GEP, SWD, CONCURRENT PROD, PRESSURE MAINTENANCE. WATERFLOOD, ETC. Copy Wellfile (originals) 59240 Daily Resource Revenue File: 2990-4100-59240-06 R. Stefik OGC990109 G. Farr P. Attariwala Email D. Krezanoski UPRI Project (02) S. Chicorelli Fifth Avenue Place 425 1st Street SW

Dear Mr. Kwan:

GOOD ENGINEERING PRACTICE APPROVAL RE: **CHOWADE - BALDONNEL "A" POOL**

The Commission has reviewed your application dated January 27, 1999 requesting Good Engineering Practice (GEP) for the Chowade Baldonnel "A" gas pool.

We concur with your geological interpretation and have now mapped Baldonnel "A", "B" and "C" pools as one pool which has been designated as the Chowade Baldonnel "A" pool.

The GEP Approval 99-06-002 is hereby granted under Part 8, Division 6, Section 101 of the 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.

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

Phone: (250) 952-0302 Fax: (250) 952-0291

APPROVAL 99-06-002

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 Union Pacific Resources Inc. (UPRI) for producing Chowade Baldonnel "A" 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 UPRI as such scheme is described in

an Application from UPRI to the Commission dated January 27, 1999.

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

1. The area of the project shall consist of

Block L/94-B-9: units 18-20, 28-30, 36-40, 46-50, 56-59, 66-69, 76-79, 86-89

Block I/94-B-10: units 11, 21, 31, and 41.

- 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 5 day of February 1999.