



**BRITISH  
COLUMBIA**

September 17, 1998

Wascana Project (02)

4650-2600-59240-06  
980664

Mr. Wes Siemens, P. Eng.  
Senior Reservoir Engineer  
Western Oil & Gas Business Unit  
Wascana Energy Inc.  
P.O. Box 2727, Station M  
2900, 240 - 4<sup>th</sup> Ave S.W  
Calgary, AB T2P 5C1

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)
- Daily

Dear Mr. Siemens:

**RE: GOOD ENGINEERING PRACTICE APPROVAL  
HAY RIVER BLUESKY "A" AND "B" POOLS**

Attached is a Good Engineering Project (GEP) scheme approval for the subject pool, as requested in your application of July 15, 1998.

The Approval 98-06-006 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 producing oil wells without individual well daily oil allowables and the drilling of horizontal wells without spacing and target considerations for effective development of the pool. We note that produced gas will be gathered and used to provide power for project operation.

Please note that a large portion of the project area is currently held under Drilling Licences. Lease selections covering the GEP area must be made prior to oil production. Also, attached for your information is a copy of Information Letter F98-17 which addresses production reporting from multilateral wells.

Sincerely,

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

Attachment

Ministry of  
Energy and Mines

Energy and Minerals Division  
Engineering and Operations Branch

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Victoria BC V8T 4J1



APPROVAL 98-06-006

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

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IN THE MATTER of a Good Engineering Practice (GEP) scheme of Wascana Energy Inc. (Wascana) for producing the Hay River Bluesky "A" and "B" oil pools under a project allowable and 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 a GEP scheme of Wascana for producing with a project allowable and drilling horizontal wells without spacing and target restrictions, as such scheme is described in

*an Application from Wascana to the Division dated July 15, 1998, and related submissions.*

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

1. The area of the project shall consist of;

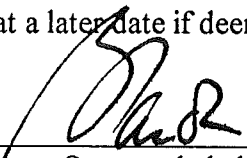
NTS 94-I-9 Block G units 31 - 35, 41 - 45, 51 - 55, 61 - 65, 71 - 75, 81 - 85 and 91 - 95  
Block H units 31 - 100  
Block I units 1 - 20 and 27 - 30  
Block J units 1 - 5, 11 and 21

2. The reserves based project oil allowable is 1,510.5 m<sup>3</sup>/d.

3. An oil well may be drilled anywhere within the project area provided that it is not nearer than 100 m to the sides of the project area.

4. All produced gas must be conserved.

5. The approval may be modified or rescinded at a later date if deemed appropriate.

  
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B. van Oort, on behalf of  
the Division Head  
Energy and Minerals Division

DATED AT the City of Victoria, in the Province of British Columbia, this 17 day of September, 1998.