April 30, 1976

Pacific Petroleums Ltd.,
Box 6666,
Calgary, Alberta
T2P 6T6

Attn: Mr. E.L. Molnar

Dear Sir,

Re: Application for Concurrent Production
    and Removal of MPR Restrictions North
    Peejay Halfway Project

This will acknowledge receipt of your application of April
16, 1976 requesting approval for concurrent production, removal
of MPR restrictions for the d-33-I well and waiver of off target
penalty factors for the gas wells d-43-I and d-52-I in the North
Peejay Halfway Project.

We are unable to approve the removal of MPR restrictions for
the d-33-I well; however, we are prepared to approve your application
for concurrent production subject to the following conditions:

1. The Project MPR of 42 STB/D is continued,
2. COR penalty table 2500 will apply,
3. Off-target penalties for the gas wells are waived,
4. The FRL for each of the gas wells is 2 MMSCFD,
5. Gas production from d-33-I will be conserved,
6. This approval is effective when condition 5 is implemented,
7. This approval may be modified or rescinded at any time.

Yours truly,

J. D. Lineham,
Chief of Branch

cc, D.L. Johnson
P.K. Huus