

October 15, 2001

8400-4800-59240-07 OGC - 01188

Shauna J. Clarey Engineering Technician Calpine Canada Resources Ltd. 1800, 421 – Seventh Ave SW Calgary AB T2P 4K9

Calpine Project (04)

Dear Ms. Clarey:

RE: CONCURRENT PRODUCTION APPROVAL WILDMINT HALFWAY "B" OIL POOL

The Commission has reviewed your application dated September 27, 2001 for Good Engineering Practice and waiver of GOR penalties from a portion of the subject pool.

As produced gas exceeds the solution gas-oil ratio and this gas will be conserved, a Concurrent Production approval is considered appropriate in this case.

A Concurrent Production approval was in place for the subject pool effective October 1, 1979. However, this approval was rescinded on January 29, 1991, at the request of the operator. (Attached letter of January 29, 1991 provides chronological details of the events). Concurrent production approval of oil and gas from this mature pool is considered appropriate. Accordingly, Approval 01-07-008 is hereby granted under section 97 of the Petroleum and Natural Gas Act.

Sincerely, Approval Letters to Industry GEP, SWD, CONCURRENT PROD, PRESSURE MAINTENANCE, WATERFLOOD, ETC. Wellfile (originals) 59240 Craig Gibson, P. Eng. Daily Manager Resource Revenue Reservoir Engineering and Geology S. Chicorelli R. Stefik G. Farr Attachments P. Attariwala D. Krezanoski

## APPROVAL 01-07-008

## THE PROVINCE OF BRITISH COLUMBIA PETROLEUM AND NATURAL GAS ACT OIL AND GAS COMMISSION

IN THE MATTER of a Concurrent Production scheme of Calpine Canada Resources Ltd. (Calpine) for producing a portion of the Wildmint Halfway "B" pool without spacing and target restrictions, and with project allowables.

NOW, THEREFORE, the Commission, pursuant to section 97 of the <u>Petroleum and Natural Gas Act</u>, hereby approves the Concurrent Production scheme of Calpine for oil and gas production with project allowables, as such scheme is described in

an Application from Calpine to the Commission dated September 27, 2001 and related submission.

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

- 1. The area of the scheme shall consist of unit 92 and 93 of Block I/94-A-15 and units 2-5 of Block A/94-H-2.
- 2. The individual daily oil allowables are waived.
- 3. Gas production will be limited to 28.0 10<sup>3</sup>m<sup>3</sup>/d.
- 4. All produced gas must be conserved.
- 5. The requirements of section 9 of the *Drilling and Production Regulation* are hereby waived, provided that oil wells within the scheme area are not completed nearer than 100 m to the sides of the approved area.
- 6. This approval may be modified or rescinded at a later date if deemed appropriate.

Craig Gibson

Manager

Reservoir Engineering and Geology

DATED AT the City of Victoria, in the Province of British Columbia, this //day of October, 2001.