

May 24, 2000

4600-4540/4560/4575-59240-07 OGC-000159

Berkley Project (02)

Linda McKean Reservoir Engineer Berkley Petroleum Corp. 1250, 202 – 6th Avenue S.W. Calgary AB T2P 2R9

Dear Ms. McKean:

RE: APPROVAL FOR CONCURRENT PRODUCTION

& COMMINGLED PRODUCTION

WA# 1986

HALFWAY - COPLIN "A", INGA "A" & BLUEBERRY "A" POOLS

Attached is a Concurrent Production scheme approval for the subject pools, as requested in your application dated March 28, 2000.

The Approval 00-07-004 is hereby granted under section 97 of the Petroleum and Natural Gas Act.

Approval to commingle oil production from the Blueberry and Inga zones was approved on December 23, 1999. Production from the Coplin gas zone may also be commingled, under section 41 of the *Drilling and Production Regulation*. Allocation factors for reporting purposes are detailed in the attached Approval. The oil and gas production rate limitations apply to the sum of production from the subject three pools.

Please note that the project allowables may be amended if another operator successfully completes an oil well outside the project area in one of the subject pools.

Sincerely,

Craig Gibson, P. Eng.	Approval Letters to Industry GEP, SWD, CONCURRENT PROD, PRESSURE MAINTENANCE, WATERFLOOD, ETC. Copy 10
Manager	Wellfile (originals)
Reservoir Engineering and Geology	59240
	Daily
Attachment	Resource Revenue
	S. Chicorelli
	R. Stefik
	G. Farr
·	P. Attariwala
	C. Gibson
	_ D. Krezanoski

ENGINEERING AND GEOLOGY I

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0291 Location: 6th Flr 1810 Blanshard St. Victoria BC

APPROVAL 00-07-004

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

IN THE MATTER of a Concurrent Production scheme of Berkley Petroleum Corp. (Berkley) for producing the Halfway Inga "A" and Blueberry "A" oil pools and the Coplin"A" gas pool with a project oil and gas allowable.

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

An Application from Berkley to the Commission dated March 28, 2000 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 section 11 Twp 87 Rge 25 W6M.
- 2. The project daily oil allowable is 20.0 m3.
- 3. The project daily gas limit is $22.7 e^3 m^3$.
- 4. Gas, oil and water production should be allocated on the Ministry of Energy and Mines BC S-1 and BC S-2 forms on the basis of Inga 50% and Blueberry 50%, however, any gas production above a gas-oil ratio of 1,000 m³/m³ should be reported to the Coplin.
- 5. All produced gas must be conserved.
- 6. 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.
- 7. 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 29 day of May, 2000.