

Oil and Gas Commission

Approval Letters to Industry
GEP, SWD, CONCURRENT PROD,
PRESSURE MAINTENANCE,
WATERFLOOD, ETC.

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<input type="checkbox"/>	59240
<input type="checkbox"/>	Daily
<input type="checkbox"/>	Resource Revenue
<input checked="" type="checkbox"/>	R. Stefik
<input type="checkbox"/>	G. Farr

Email

<input type="checkbox"/>	D. Krezanowski
<input type="checkbox"/>	S. Chicorelli

February 1, 1999

Mr. Dennis Taylor, CET
Senior Technologist
Calahoo Petroleum Ltd.
Suite 400, 407-2nd Street S.W.
Calgary, AB T2P 2Y3

8000-4580-59240-07
OGC990100

Calahoo Project (02)

Dear Mr. Taylor:

RE: Application for Approval of a Good Engineering Practice Area
Stoddart - North Pine "F" Pool

This refers to your application of January 22, 1999 wherein you request higher gas production under good engineering practice from the concurrent production scheme approval for the Calahoo operated portion of the subject pool.

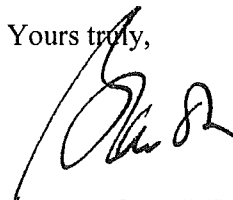
In support of your application for higher gas production from the pool you have submitted results of oil-in-place using material balance and volumetric calculations, ultimate oil recovery using the decline analysis and the results of waterflood recovery. We concur with your conclusions that the incremental waterflood recovery cannot be economically justified as the pool is relatively small.

Both Calahoo and Petro Canada operate a portion of the Stoddart North Pine "F" pool under concurrent production approvals granted on October 27, 1998. To maintain equity, gas production limits were applied to each approval. Furthermore, these gas production limits were granted on an annual basis to provide operational flexibility.

In view of correlative concerns, your request for a higher gas production limit cannot be approved at this time. However, you may request a higher gas production limit once the annual allowable for the current year has been produced, provided that Petro Canada is agreeable to the proposal.

Should you wish to discuss the rationale for our decision, please call Peter Attariwala at (250) 952-0311 or Ron Stefik at (250) 952-0310.

Yours truly,



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