



PETROLEUM RESOURCES BRANCH

December 8, 1975

Canadian Reserve Oil & Gas Ltd.,
1600, 639 - 5th Ave. S.W.,
Calgary, Alberta
T2P 0M9

Attn: Mr. G. Czeman

Dear Sir,

Kotcho East

Re: Application for Good Engineering Practice -
East Kotcho wells b-43-J and a-42-J, NTS 94-I-14

We refer to your submission of November 24, 1975 and telegram of Dec 5, 1974, and hereby approve production from the Slave Point formation under the gas spacing area consisting of Units 32, 33, 42 and 43, block J, 94-I-14 according to good engineering practice. This approval is granted on the basis that the total Slave Point production rate from the spacing area will not exceed the P.R.L. based on the prevailing A.O.F.P. of well b-43-J. The A.O.F.P. currently recognized by the Petroleum Branch for b-43-J is 78.208 MMSCF/D.

In view of this approval a well drilled at a-42-J/94-I-14 is relieved of any off-target penalty under the provision of the D & P Regulations 13.09. However, we assume that a-42-J will not be produced at a higher rate than is compatible with the results of the coning model study carried out on b-43-J.

Yours truly,

J.D. Lineham,
Associate Deputy Minister

AGTW/sm
cc. Attached

L P.K. Hines