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March 14, 1977 4/30

Placid Oil Company -
 860 Guinness House
 727 - 7th Ave. S.W.
 Calgary 2, Alberta
 T2P 0Z5

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Attn: Mr. R.E. Nawolsky

Dear Sir:

Re: Application for Good Engineering Practice (GEP)
Placid PCP W-Milligan d-28-G/94-H-2

We acknowledge receipt ^{Weasel} of your application of January 24, 1977 requesting a GEP allowable of 5 MMSCFD. We are prepared to approve a GEP allowable of 2.615 MMSCFD based on the reserves of 9.541 BSCF under a GEP area of units 16, 17, 18, 19, 26, 27, 28 and 29, Block G/94-H-2.

to for 3.65 MMSCFD

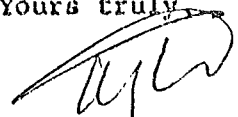
Please note that for future GEP applications we require that;

- a) a GEP area be specified, and
- b) Letters from offsetting location holders be filed with the application.

We cannot approve your GEP application as presented because at the present time the pool is not adequately delineated and it may be premature to conclude that there is no oil or water down dip.

If you are agreeable to the proposed GEP area then please write to request this area and the allowable of 2.615 MMSCFD. On receipt of this letter, notice of your application will be published in two consecutive issues of the B.C. gazette. If no valid objections are received from any interested parties, then this application will be approved.

Yours truly



A. G. T. Weaver
 Chief Engineer

PSA/cbr