



Ref. No. 87952

1987 10 16

POCO Petroleums Ltd.  
600 Bow Valley Square 2  
205 - 5th Avenue, S.W.  
Calgary, Alberta  
T2P 2V7

Attention: Mr. Steve Laut

Dear Sir:

Re: Application for Revised GEP Status  
Project Area E 1/2 - 35-35-20 W6  
Stoddart West - Belloy 'C' Pool

This refers to your application via Dyad Engineering Ltd.  
dated 1987 08 27 requesting a revised GEP status for the  
subject area.

It should be noted that normally project allowables are  
reserve based once an area has been adequately delineated  
and therefore, an interim project allowable based on the sum  
of individual well allowables cannot be increased ad  
infinitum. In this regard we wish to advise that Scurry  
Rainbow Oil Ltd., operator of various producing oil wells in  
the area, have expressed their objections to increasing the  
GEP allowable.

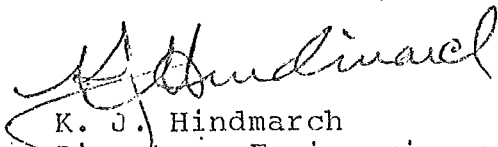
In order to encourage drilling activity, changes were made  
in the Drilling and Production Regulations in August 1985.  
Allowable calculation procedures were revised to give an  
allowable to each oil well drilled. In the case of the  
subject project, produced gas re-injection is recognized  
only for obtaining relief for individual well GOR's.  
Accordingly, your application is not approved as requested,  
instead we approve a modified project status as follows:

1. The area of the GEP consists of E 1/2 Section 35-85-20 W6.
2. The daily oil allowable of each well is as follows:

<u>Well</u>	<u>DOA</u>
2-35-85-20	16.7
7-35 " "	20.3
15-35 " "	10.4
16-35 " "	10.0

3. All produced gas from these wells, in excess of fuel gas, will be injected into the well 10-35-85-20 W6.
4. Individual well production will continue to be reported on the appropriate monthly production/disposition reports.
5. This approval may be modified at a later date if deemed appropriate through a change in circumstances.

Yours truly,



K. J. Hindmarch  
Director, Engineering and Operations

PSA:ket

Attachment

cc: Dyad Engineering Ltd. (Attn: Mr. P.K.W. Vinsome)  
D.L. Johnson