

September 4, 1998

Copies for Approval Letter to Industry (11)
RE: GEP, Salt Water Disposals, etc.
G. Miltenberger
Data Management
R. Stefik
D. Richardson
P. Attariwala
G. Farr
S. Chicorelli
Resource Revenue
59240
Wellfiles (originals)
Daily

3600-6200-59240-06

980677

Mr. Greg Piotrowicz
Senior Development Engineer
Rigel Oil & Gas Ltd.
1900 255 5th Ave SW

CALGARY AB T2P 3G6

Dear Mr. Piotrowicz:

RE: GOOD ENGINEERING PRACTICE (GEP)
WATER INJECTION PRESSURE SUPPORT
FORT ST. JOHN BELLOY "G" POOL

The Ministry has reviewed your letter of August 26, 1998, detailing the annual voidage replacement calculations, as required for the subject GEP scheme (#94-06-004).

As a condition of this GEP approval, water is injected into a common aquifer by Anderson Exploration Ltd. within the Eagle West Unit #1 on behalf of Rigel Oil & Gas Ltd. to replace voidage. Production and pressure data indicates good continued pressure support. We agree that water volumes injected in 1996 on behalf of this GEP remain in excess of production voidage as of December 31, 1997. As stipulated in the Ministry letter on this subject, dated March 14, 1997, injection on behalf of the subject GEP may cease until production voidage balances with the accumulated injection volume or well production GOR or pressure indicates that pressure support is no longer being maintained. Details of voidage calculations must be submitted to the Ministry for production from the current calendar year by March 1, 1999.

Should you have any questions, please contact Ron Stefik at (250) 952-0310.

Sincerely,

Craig Gibson

Manager Reservoir Engineering Engineering and Operations Branch

RGS/mef

Ministry of Energy and Mines

Energy and Minerals Division Engineering and Operations Branch Mailing Address: PO Box 9326 Stn Prov Govt Victoria BC V8W 9N3

Telephone: (250) 952-0302 Facsimile: (250) 952-0291 Location: Sixth Floor 1810 Blanshard Street Victoria BC V8T 4J1