



October 12, 2000

7900-4580-59240-13
OGC - 000238

Ms. Heather Christie Burns, P. Eng.
Senior Reservoir Engineer
Encal Energy Ltd.
1800, 421 Seventh Ave S.W.
Calgary AB T2P 4K9

Encal Project (02)

Dear Ms. Burns:

**RE: PRODUCED GAS RE-INJECTION SCHEME APPROVAL
SQUIRREL NORTH PINE "C" POOL**

The Commission has reviewed your application dated July 13, 2000 requesting approval of a produced gas re-injection scheme in the subject pool.

The Approval 00-13-001 is hereby granted under section 100 of the Petroleum and Natural Gas Act.

The scheme will remain in operation for a period of nine months from the date of commencement of gas re-injection. A final progress report must be submitted at the end of the gas re-injection phase.

Please note that the gas re-injection scheme is a temporary one to mitigate pressure decline while the pool is being delineated and a suitable waterflood pressure maintenance scheme assessed and initiated.

Please contact Peter Attariwala at (250) 952-0311 or Ron Stefik at (250) 952-0310 should you have any questions.

Sincerely,

Craig Gibson, P. Eng.
Manager
Reservoir Engineering and Geology

Attachment

cc: Richard VanAppelen - Canadian Natural Resources Limited

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

Copy 9

- Wellfile (originals)
- 59240
- Daily
- Resource Revenue
- S. Chicorelli
- R. Stefik
- G. Farr
- P. Attariwala
- D. Krezanoski

ENGINEERING AND GEOLOGY BRANCH

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APPROVAL 00-13-001

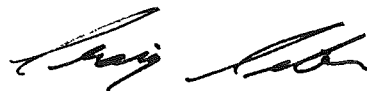
THE PROVINCE OF BRITISH COLUMBIA
PETROLEUM AND NATURAL GAS ACT
OIL AND GAS COMMISSION

IN THE MATTER of a produced gas re-injection scheme by Encal Energy Ltd. (Encal), for re-injection of the produced gas into the Squirrel North Pine "C" pool gas cap.

NOW THEREFORE, the Commission, pursuant to section 100 of the Petroleum and Natural Gas Act R.S.B.C. 1996, c.361 orders as follows:

The produced gas re-injection scheme of Encal for partial pressure maintenance of the Squirrel North Pine "C" pool as such scheme is described in the application from Encal to the Commission dated July 13, 2000 and related submissions is hereby approved, subject to the terms herein contained:

1. The scheme area shall be delineated by sec 31-87-19 W6M, N/2 sec 25 and sec 36-87-20 W6M.
2. The scheme oil allowable is 60 m³/d, however, production from each oil well within the scheme will be limited to 10 m³/d.
3. All produced gas, except fuel gas, will be re-injected into the Squirrel North Pine "C" pool through well 7-31-87-19 W6M (WA 12336).
4. The gas injection scheme shall be deemed to have commenced upon gas being injected into the well referred to in clause 3, with the Commission being notified in writing of the date of commencement. (2000/11/03)
5. A final Progress Report shall be filed as stipulated in section 8 of the *Petroleum and Natural Gas General Regulation*, at the conclusion of the scheme.
6. The duration of this scheme is for a period of nine months from the date of commencement.
7. The operations of the gas re-injection scheme will be subject to review, and modification to the approval may be ordered, if deemed appropriate.



Craig Gibson
Manager
Reservoir Engineering and Geology

DATED AT the City of Victoria, in the Province of British Columbia, this 12th day of October 2000.