



January 18, 2002

6030-8400-32640-02
OGC - 02011

Mr. Jonathon Manning
Reservoir Engineering
Petro-Canada Oil and Gas
P.O. Box 2844
Calgary, AB T2P 3E3

Dear Mr. Manning:

**RE: APPLICATION FOR SALT WATER DISPOSAL
PC Gulf Milo c-58-E/94-J-10, (WA# 7830); Slave Point Formation**

This is with respect to your application dated December 13, 2001 requesting disposal of produced water into the Slave Point formation of the subject well.

Notice of your application was published in the BC Gazette with January 10, 2002 being the deadline for any valid objection. Penn West Petroleum Ltd. (Penn West) in a letter dated December 20, 2001 objected to the scheme approval. The Commission concurs that the Penn West objection has technical merit. Approval of a salt water disposal scheme in the subject well could risk gas recovery from the offsetting Slave Point gas well a-67-E/94-J-10, operated by Penn West. Furthermore, the subject well could be completed as a potential gas well, as proposed in your application.

In view of the above, we wish to advise that your application for salt water disposal cannot be approved at this time.

Sincerely,

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

cc: Darrell Osinchuk
Manager Reserves and Optimization
Penn West Petroleum Ltd.

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

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- 59240
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- Resource Revenue
- S. Chicorelli
- R. Stefik
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ENGINEERING AND GEOLOGY BRANCH

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0291

Location: 6th Flr 1810 Blanshard St. Victoria BC