

June 11, 1997

Mr. David P. Moore, P. Eng.
Chief Reservoir Engineer
Wainoco Oil Corporation
1700 First Canadian Centre
350 - 7th Avenue SW
Calgary, AB T2P 3N9

Dear Mr. Moore:

RE: APPLICATION FOR SALT WATER DISPOSAL
Wainoco et al Yoyo d-77-E/94-I-14; WA 3487

This refers to your application dated May 9, 1996, wherein a scheme for salt water disposal in the Pine Point Formation of the subject well was requested.

Attached is Approval 97-02-004 for the application granted under section 100 of the Petroleum and Natural Gas Act.

Yours sincerely,



Bou van Oort
Director
Engineering and Operations Branch

Attachment

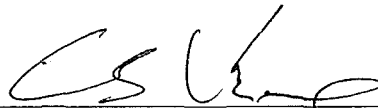
APPROVAL 97-02-004

PETROLEUM AND NATURAL GAS ACT (the "Act")
THE PROVINCE OF BRITISH COLUMBIA
MINISTRY OF EMPLOYMENT AND INVESTMENT
ENERGY AND MINERALS DIVISION

IN THE MATTER of a scheme of Wainoco Oil Corporation (the "Operator") for Salt Water Disposal (SWD) in the Pine Point Formation in the well Wainoco et al Yoyo d-77-E/94-I-14 (WA 3487).

The Minister of Employment and Investment, pursuant to section 100 of the Act, hereby orders as follows:

1. The SWD scheme of the Operator for disposal of produced water in the Pine Point Formation at well d-77-E/94-I-14 as such scheme is described in the application from the Operator to the Ministry dated May 9, 1996 is hereby approved, subject to terms and conditions herein contained.
2. The water disposal interval must be in the Pine Point Formation.
3. A record of volume of salt water disposed of through this well must be included on a Monthly Injection/Disposal Statement, in the prescribed form, which should be submitted to the Energy and Minerals Division not later than the 25th day of the month following the reported month.
4. The disposal/injection pressure at the sandface must not exceed the formation fracture pressure.
5. This approval may be modified or rescinded by the Director of the Engineering and Operations Branch at a later date if deemed appropriate through a change in circumstances.



Charles Kang, on behalf of the
Minister of Employment and Investment

DATED AT the City of Victoria, in the Province of British Columbia, this 30th day of May, 1997.