

January 28, 2008

3440-6250-59240-15

Dave Peet, P.Eng Senior Reservoir Engineer Devon Canada Corporation 2000, 400 – 3rd Ave S.W. Calgary, AB T2P 4H2

Dear Mr. Peet:

RE: EXPERIMENTAL SCHEME APPROVAL EAGLE FIELD BELLOY-KISKATINAW POOL

Commission staff have reviewed your application dated September 25, 2007 requesting an experimental scheme approval to test CO<sub>2</sub> injection for tertiary oil recovery in a portion of the subject pool.

Attached is Approval 08-15-002 for the application, granted under Section 100 of the <u>Petroleum and Natural Gas Act</u>. No objections were received following the publication of a notice of your application on the OGC website.

The Commission must be notified in writing of the effective commencement date of activity for the scheme approval. In accordance with section 57 of the *Drilling & Production Regulation* all new well reports and new well data within the scheme area will be held confidential for a period of 3 years.

Please note that a progress report, as specified in item 9 of the approval, must be submitted on an annual basis with the initial report due on the first anniversary of the commencement date.

Should you have any questions, please contact the undersigned at (250) 952-0366.

Sincerely,

Richard Slocomb, P. Eng.

Supervisor, Reservoir Engineering

Resource Conservation

Attachment

## APPROVAL 08-15-002

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

IN THE MATTER of the experimental scheme of Devon Canada Corporation (Operator) to test the commercial viability of CO<sub>2</sub> injection for tertiary oil recovery in the Eagle Field – Belloy-Kiskatinaw pool.

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

- 1. The experimental scheme for testing CO<sub>2</sub> injection for tertiary oil recovery in the Eagle Field Belloy-Kiskatinaw pool, as such proposal is described in the application to the Commission dated September 25, 2007 is hereby approved, subject to terms and conditions herein contained.
- 2. The area of the experimental scheme consists of;

Twp 084 Rge 18 W6M - South ½ section 25.

- 3. The wells within the experimental scheme area shall continue to be subject to the project allowable for the waterflood pressure maintenance scheme (Approval 85-09-001).
- 4. CO<sub>2</sub> and Water may be injected into the Eagle Belloy-Kiskatinaw pool through the proposed well to be located at A3-25-84-18 W6M.
- 5. The wellhead injection pressure must not exceed 23,000 kPag.
- 6. The injection pressure measured at the sandface must not exceed the formation fracture pressure.
- 7. An oil well may be drilled anywhere within the project area provided that it is not nearer than 100 m to the sides of the project area.
- 8. All associated produced gas must be conserved.
- 9. Progress reports shall be filed as stipulated in Section 8 of the *Petroleum and Natural Gas General Regulation*.
- 10. The operations of the experimental scheme will be subject to review by the Commission. The Director, Resource Conservation or the Director, Drilling and Production, may issue guidelines regarding the operations of the scheme.
- 11. The approval or any condition of it may be modified, if deemed appropriate.

Richard Slocomb, P.Eng.

Supervisor, Reservoir Engineering

Resource Conservation

DATED AT the City of Victoria, in the Province of British Columbia, this 28<sup>th</sup> day of January 2008.