



OIL AND GAS COMMISSION

October 28, 2005

5000-4500-32640-02
OGC - 05291

Dave Kapple
Production Manager, Northern Production
Anadarko Canada Corporation
425 - 1st Street S.W.
P.O. Box 2595 Stn M
Calgary, AB T2P 4V4

Dear Mr. Kapple:

**RE: APPROVAL, SECTION 100, PETROLEUM AND NATURAL GAS ACT
AMENDMENT #1
BUCKINGHORSE RIVER, SUBSURFACE PROCESSING OF NATURAL GAS
ANADARKO HZ JEDNEY d-B001-L/094-G-08 (WA# 16299)
ANADARKO HZ JEDNEY b- 033-L/094-G-08 (WA# 16373)**

The Commission has reviewed your application, dated October 20, 2005, seeking amendment to the approval granted January 24, 2005 for continuous injection/production operations at the subject wells. These two horizontal wells, intersecting in the Charlie Lake formation, operate for the exclusive purpose of processing of natural gas, specifically, transportation under the Buckinghorse River.

Progress Report #1, for the period ending June 30, 2005, has now been filed with the OGC. Metered gas volume differences between injection and withdrawal points are well within acceptable measurement error standards. Monthly totals vary between loss and gain in volume, indicating no trend of inflow or loss to the system. It is noted that the wellhead operating pressure reported for the injection well b-33-L has been lower than predicted by model results.

Attached is Approval 05-09-002 (Amendment #1) for the application, granted under Section 100 of the Petroleum and Natural Gas Act. This amendment increases the allowable gas injection rate. Predicted associated operating pressure should remain well below the maximum limit.

As stated in the previous approval letter, the OGC has assigned facility codes to these wells, however as they do not enter into the production accounting process, BC S1, S2 and S18 reports are not required. It is understood that all gas handled follows 3-phase separation, minimizing liquids content and associated possible meter error.

Sincerely,

Richard Slocomb, P. Eng.
A/Director
Resource Conservation Branch

Attachment

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

Copy 10

	Wellfile (originals)
	59240
	Daily
	Resource Revenue
	S. Chicorelli
	R. Stefik
	G. Farr
	R. Slocomb
	J. Pickell
	D. Krezanoski

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APPROVAL 05-09-002 (Amendment #1)

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

IN THE MATTER of a scheme for the processing/transportation of natural gas of Anadarko Canada Corporation (Anadarko) in the Jedney field by injection and production through horizontal wells under the Buckinghorse River.

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 processing/transportation scheme of Anadarko by injection and production through horizontal wells in the Jedney field under the Buckinghorse River as described in the applications dated November 20, 2004, January 20, 2005 and October 21, 2005 is hereby approved, subject to the following terms:

1. Natural gas may be injected and produced through the wells located at d-B001-L/94-G-08 (WA 16299) and b-033-L/94-G-08 (WA 16373).
2. Gas injection and production rates must be continuously metered at both wells.
3. The gas injection rate must not exceed 1 000.0 $\text{e}^3\text{m}^3/\text{d}$.
4. The injection pressure at the bottomhole must not exceed the formation fracture pressure.
5. The requirement for production and injection through tubing is waived.
6. A casing inspection log must be conducted on a biennial basis.
7. A progress report must be submitted to the Commission within 60 days after the end of each calendar year the scheme is in operation. The progress report must contain the following:
 - (a) the volume of gas processed by the scheme, on a monthly, annual and cumulative basis,
 - (b) representative composition of the combined gas stream gas processed by the scheme, during the reporting period,
 - (c) the average wellhead operating pressures, on a monthly basis, during the reporting period and the maximum and minimum injection pressures,
 - (d) a summary of changes or modifications in the operation of the scheme during the reporting period, including well workovers, recompletions and suspensions, or any surface facility modifications,
 - (e) current operating capacity of the scheme and interpretations of the performance of the scheme, and discussion of any anomalous behaviour.
8. The operations of the scheme will be subject to periodic review and modification to the approval may be ordered, if deemed appropriate.



Richard Slocomb
A/Director
Resource Conservation Branch

DATED AT the City of Victoria, in the Province of British Columbia, this day of October 2005.