



Ref. No. 85777

1985 08 16

Scurry Rainbow Oil Limited
1700 Home Oil Towers
324 Eighth Avenue, S.W.
Calgary, Alberta
T2P 2Z5

Attention: Mr. M.L. Johns, P.Eng.

Dear Sir:

Re: Application for Good Engineering Practice
and Pressure Maintenance Scheme by Waterflooding
Sections 22 and 27-84-18 W6
Eagle Belloy "B" Pool

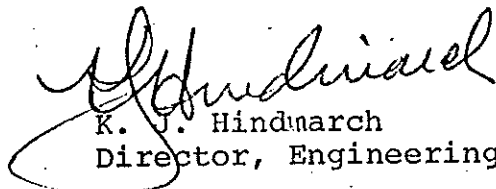
This refers to your amended application dated 1985 06 26 requesting approval for Good Engineering Practice and pressure maintenance by waterflooding Sections 22 and 27-84-18 W6 of the Eagle Belloy "B" pool. Notice of your application was published in two consecutive issues of the British Columbia Gazette.

As no written objections were received by 1985 08 15, your application is approved subject to the following conditions:

1. The area of GEP project is Sections 22 and 27-84-18 W6.
2. The project daily oil allowable will be 137 m³/d (equivalent to the sum of individual well allowables) and will be effective as from August 15, 1985.
3. Gas-oil ratio penalty factors will be calculated on the total oil and gas production from the project area.

4. Approval is hereby given in principle to proceed with waterflooding plans for the GEP area. Application for conversion of producing wells to water injection service will be approved by the Minister once results of the infill drilling programme referred to in your letter are available and after the well data has been taken into account in designing your waterflood scheme. At this stage recovery efficiencies will be reviewed and allowable oil production rates will accordingly be increased with effect from water injection commencement.
5. The project area may in due course be enlarged upon application to the Division.
6. The operation of the GEP and waterflood scheme will be subject to periodic review.

Yours truly,



K. J. Hindmarch

Director, Engineering and Operations

PSA:ket

cc: D. L. Johnson

H. L. J. ✓