



Chevron Standard Limited

400 Fifth Avenue S.W., Calgary 1, Alberta

August 5, 1971

Proposed Enlargement
North Virden Scallion
Unit No. 1
Our File No. 52,928-C

Mr. F. S. Gamey,
Reservoir Engineer,
Department of Mines, Resources and
Environmental Management,
911 Norquay Building,
401 York Avenue,
Winnipeg 1, Manitoba.

Dear Sir:

As requested we enclose thirty (30) copies of the proposed Amendments
to the subject Plan.

Yours very truly,

A handwritten signature in dark ink, appearing to read "E. H. Gaudet".

E. H. GAUDET, Chairman,
North Virden Scallion Unit No. 1
Legal Committee.

/ps
Encl.

MICROFILMED

TO

HERE

June/79

MEETING - JUNE 3, 1969

CHEVRON

J. G. Trowell
S. A. McCrae
Pete Pisio
Lindsay Brown
Don Sargent
E. H. Gaudet

BOARD

M. J. Gobert

BRANCH

F. S. Gamey
T. E. Hage

Routledge Unit #1 (Previously proposed name - Routledge - West Routledge Unit #1)

1. Rename field "Routledge" to include West Routledge
2. No well name changes to be made
3. Unitization of Routledge and part of West Routledge for consolidation of batteries only
4. Chevron to carry out BHP survey
Effective water-drive in southwest flank
Remainder of field believed to be under water-drive
5. Oil-in-place estimated 60 million barrels
Recoverable primary - 12 million under present operating conditions - with 5 operators
6. To request unrestricted allowable and high volume withdrawal rates
It is estimated an additional 4 million barrels can be obtained - reaching a water-cut of 98% as an economic limit

Virden-Roselea Unit #2

Enlargement to bring in 18 or 19 wells depending on present drilling results

Unit to gain an estimated 4.5 million barrels

Participation formula same as original unit - 50/50

North Virden Scallion Unit #1

1. Engineering Committee to resolve situation as to the wells to be included in the enlargement
2. Participation factors to be determined on production basis, with "current production periods" to be determined for each well
3. BHP survey to be made

Daly Flood Unit

1. Problem of injection wells
Decline in oil production curve parallels
The decline in rate of water injection
2. Proposal to inject at rates up to 1,500 psi and frac the formation, as a pilot scheme in one section only, and evaluate

Souris-Hartney Field - waterflood potential

REQUEST

1. 3-21-11-26 (unit well) to be exempt from provision of Order 14A, pertaining to maximum rate of production in the North Virden Scallion Field
2. 14-16-11-26 (field well adjacent to Unit boundary) to be exempt from provisions of Order 14A. High volume pumping equipment installed
3. 14-24-11-26 to be exempt from provisions of Order 14A for a limited period of testing only. This well is to be included in the Unit enlargement tracts, when evaluated



CHEVRON STANDARD LIMITED

400 FIFTH AVENUE S.W., CALGARY 1, ALBERTA

April 18, 1969

TO: ALL WORKING INTEREST OWNERS
NORTH VIRDEN SCALLION UNIT NO. 1

Gentlemen:

Attached are the required number of copies of the Minutes of the Engineering Committee meeting held on March 28, 1969.

To assist in further evaluation of the proposed enlargement wells Chevron plans to conduct a bottom hole pressure survey involving several of the subject wells, in conjunction with the annual Unit BHP survey, as required by Board Order. This survey will be conducted as soon as road conditions permit. In the meantime, sufficient production history may have been obtained on the wells recently completed which are being considered for inclusion in the Unit by enlargement.

Yours very truly,

L. D. Brown
for

L. D. BROWN, Chairman
North Virden Scallion Unit No. 1
Operating Committee

GWC:mg
Attach.

NORTH VIRDEN SCALLION UNIT NO. 1

MINUTES OF ENGINEERING COMMITTEE
MEETING HELD ON MARCH 28, 1969

A meeting of the North Virden Scallion Unit No. 1 Engineering Committee was held on March 28, 1969.

The following were in attendance:

<u>Company</u>	<u>Representatives</u>
Chevron Standard Limited	G. W. Cruickshank S. N. Borowski
Dome Petroleum Limited	R. C. Jaenen
Shell Canada Limited	G. M. Heseldin

Agenda Item No. 1:

Consider and make recommendations regarding wells to be included in the Unit by enlargement.

Chevron made recommendation that the following eleven tracts be considered for inclusion by Unit enlargement:

<u>Well</u>	<u>Completion Date</u>
12-2-11-26	April, 1967
10-11-11-26	August, 1966
11-11-11-26	October, 1966
14-11-11-26	February, 1967
2A-22-11-26	March, 1969
2-24-11-26	April, 1967
14-24-11-26	March, 1969
3-25-11-26	November, 1967
8-33-11-26	June, 1968
10A-34-11-26	January, 1967
15-34-11-26	December, 1968

Chevron stated that included in the incentives for the enlargement tracts to enter the Unit were:

- (a) Increase in ultimate reserves recovery by participating in a waterflood scheme.
- (b) Lower operating costs.

The incentives for the Unit to enlarge include:

- (a) Increase sweep efficiency within existing Unit boundary, thus increased reserves recovery.
- (b) Enlargement will allow greater flexibility in Unit operations.

In addition, it is desirable that all wells located adjacent to the Unit boundary and on window acreage be considered for enlargement as soon as it is practical.

A letter addressed to the Chairman of the Engineering Committee from Copperhead Oil Company Limited indicated that Copperhead was not satisfied with the proposed participation factor for their 10A-34-11-26 well. Copperhead are of the opinion that the well's performance to date is not indicative of the well's true potential and will request a new production period following a proposed rework.

The participation formula proposed by Chevron was discussed. Dome felt that the current Unit production should be used in the participation formula. Dome submitted that the conditions are different now since the reservoir pressure during the 1961 production period was approximately 200 psi. The proposed enlargement tracts, Dome continued, are producing under a reservoir pressure which is approximately the same as the present reservoir pressure in the Unit. Chevron concurred that the initial pressure at the enlargement tracts was similar to the reservoir pressure at adjacent Unit wells, however, that the decline in production was indicative of a declining reservoir pressure. A similar decline in production in offsetting Unit wells, where there may be flood response was not evident. It was Chevron's contention that the reservoir pressure at the enlargement tracts was not being maintained. Chevron added that it would be grossly unfair to compare present production of wells being depleted on primary to wells which are benefiting from a waterflood.

Chevron presented a comparison of reserves contributed by the enlargement tracts and the reserves that would be allocated to the tracts on the basis of the Chevron proposed participation basis.

Dome disagreed with the predicted recovery for wells 12-2, 10-11, 11-11, 14-11, 2-24 and 10A-34. Dome argued that there would be no response at these wells since the bottom hole pressure in these enlargement tracts would not be significantly increased. Chevron maintained that the assigned secondary reserves were realistic since they represented a lower ultimate recovery than is recognized for the existing unit. It was Chevron's contention that there would be response at these tracts. Dome was of the opinion that the marginal wells be assigned a tract factor which would allocate production to them which would be less than their current rate. Dome suggested that lower operating costs should be

sufficient incentive for these wells to participate in the Unit. Shell was in general agreement with Dome, although indicated that allocable oil derived from the tract factors should approximate the current rates. Chevron felt lower operating costs was insufficient incentive to bring the subject wells into the Unit. Chevron maintained that the worth of marginal wells is taken into account in the Chevron proposed participation formula.

Dome and Shell proposed that new tract factors be determined using the production period July 1, 1968 to December 31, 1968 for the existing Unit. Chevron agreed to prepare this data.

Agenda Item No. 2

Resolve whether or not waterflood response is evident at the wells on tracts 14-24-11-26, 3-25-11-26 and 8-33-11-26.

Chevron stated that the production to date did not confirm the presence or absence of flood response at these wells.

Dome stated that since the drillstem test pressures at the enlargement tracts are essentially the same as those of the Unit it is of no concern whether or not the wells have experienced response.

Agenda Item No. 3

Discuss and make recommendation on participation formula to be used for the remaining tracts.

The subject wells are 14-24-11-26, 2A-22-11-26 and 15-34-11-26. Methods of arriving at participation factors for wells with limited production histories were discussed.

Chevron stated that because of the large amount of work involved in an enlargement, they would urge that all wells be included in the present enlargement.

Shell indicated that it would be desirable to have at least two months production history on the subject wells. There was general agreement to this suggestion.

Chevron proposed that a formula could be derived whereby the subject wells could be compared to another enlargement well with sufficient production history and an assigned tract factor. Unlike the wells in the existing Unit all enlargement wells have been drillstem tested, cored and had a satisfactory suite of logs run.

Agenda Item No. 4

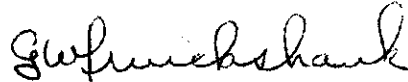
Discuss and make recommendations regarding extension of waterflood facilities.

Chevron proposed that upon enlargement wells 8-33-11-26, 2A-22-11-26 and 12-11-11-26 be converted to water injection. The estimated cost of these conversions was \$33,000. There was general agreement among those in attendance.

Agenda Item No. 5

Other items pertinent to Unit enlargement.

There being no further business, the meeting was adjourned at 12:00 noon.



G. W. CRUICKSHANK, Chairman
Engineering Committee
North Virden Scallion Unit No. 1

GWC:mg

June 3 69.

**OUTLINE OF PROJECTS FOR WHICH CONSERVATION BOARD
APPROVAL WILL BE REQUESTED**

During the remainder of this year we anticipate filing with the Board, formal applications for the enlargement of two Units and for the formation of a new Unit. The projects with the estimated date by which the application will be submitted are:

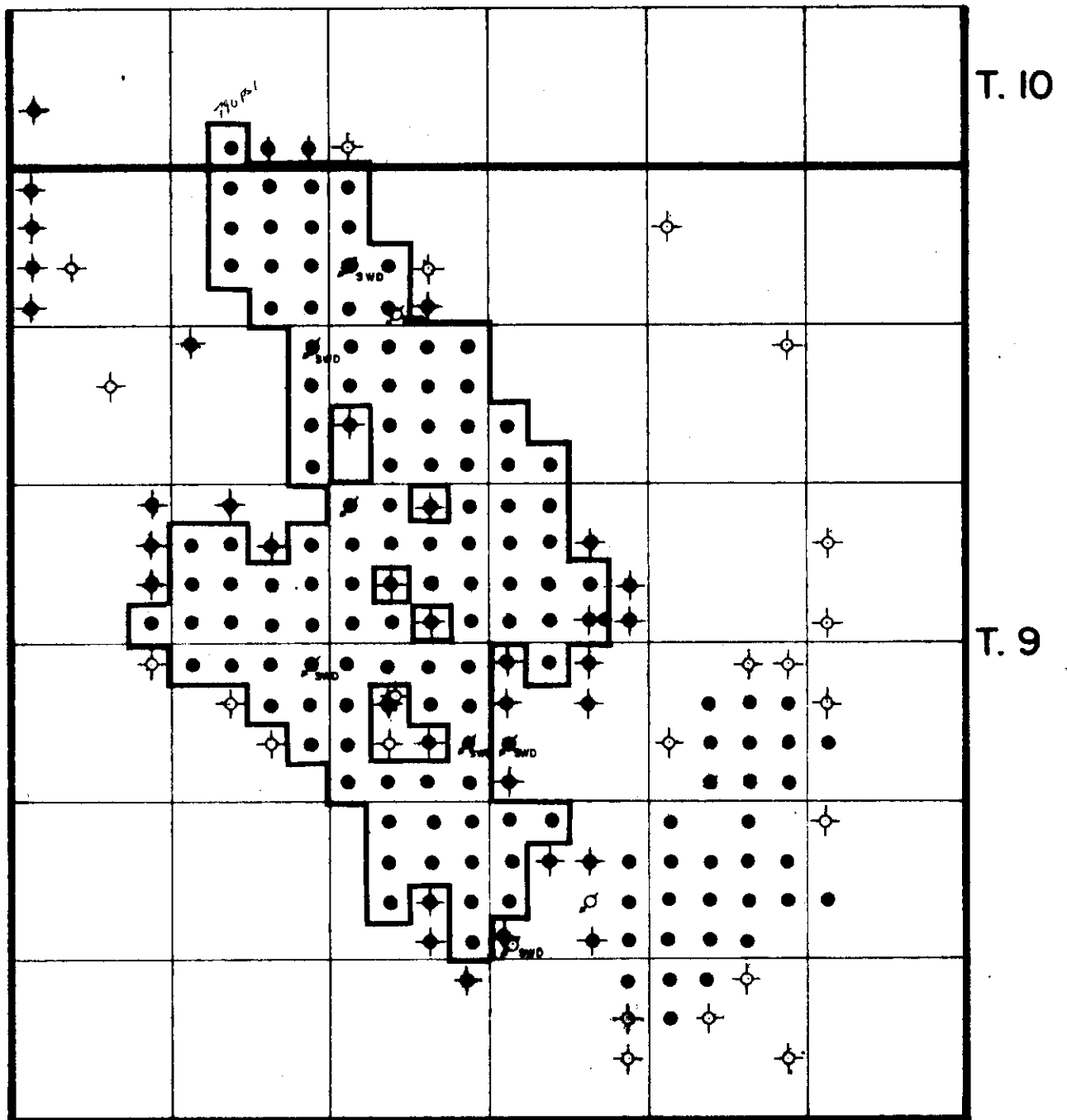
- (1) Routledge-West Routledge Unit No. 1 - Proposed new Unit.
Estimated application date: August 1, 1969.
- (2) North Virden Scallion Unit No. 1 - Enlargement of existing Unit.
Estimated application date: September 1, 1969.
- (3) Virden-Roselea Unit No. 2 - Enlargement of existing Unit.
Estimated application date: October 1, 1969.

In addition, the Board will be approached for their permission to remove the restrictions on the allowables for the following:

- (1) 3-21-11-26, a North Virden Scallion Unit No. 1 boundary well that is not currently being pumped off because of allowable restrictions.
- (2) 14-16-11-26, a well adjacent to the North Virden Scallion Unit No. 1, in which high volume pumping equipment has been installed. The well is capable of producing in excess of the currently allowed 70 BOPD and is a direct offset to 3-21-11-26.
- (3) the recently drilled 14-24-11-26 to permit testing the well for productive capacity purposes. This well is capable of producing in excess of 70 BOPD.

It is possible that the Board will be approached with respect to a high-pressure injection scheme in the Daly Waterflood area. Initially this would likely be a pilot flood consisting of one or two injection wells.

108 wells
5' well owners



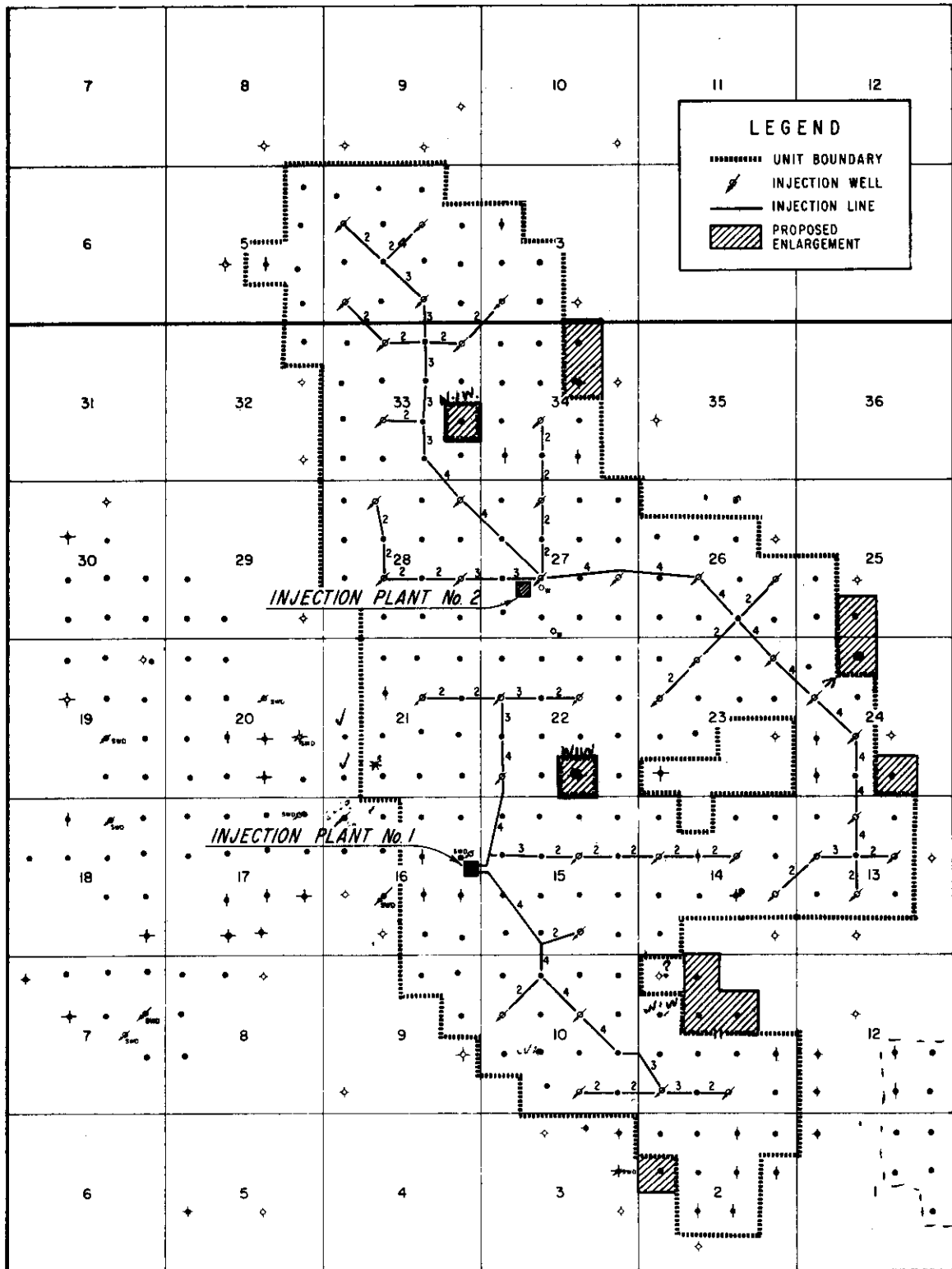
R. 25 W.P.M.

JUNE, 1969

FIGURE 1

PROPOSED ROUTLEDGE - WEST ROUTLEDGE UNIT No.1



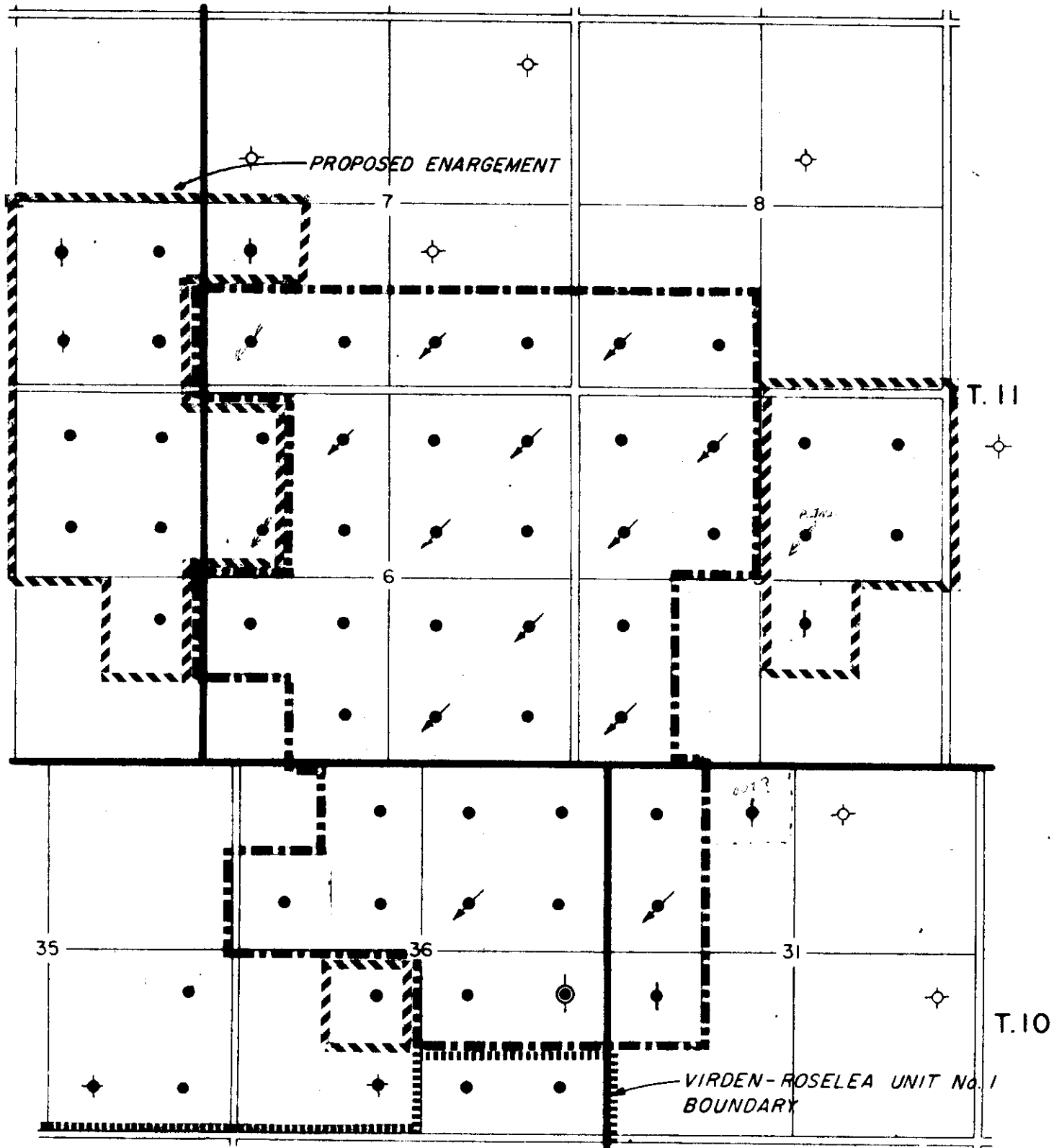


NORTH VIRDEN SCALLION UNIT No.1
WITH PROPOSED ENLARGEMENT



R. 26

R. 25

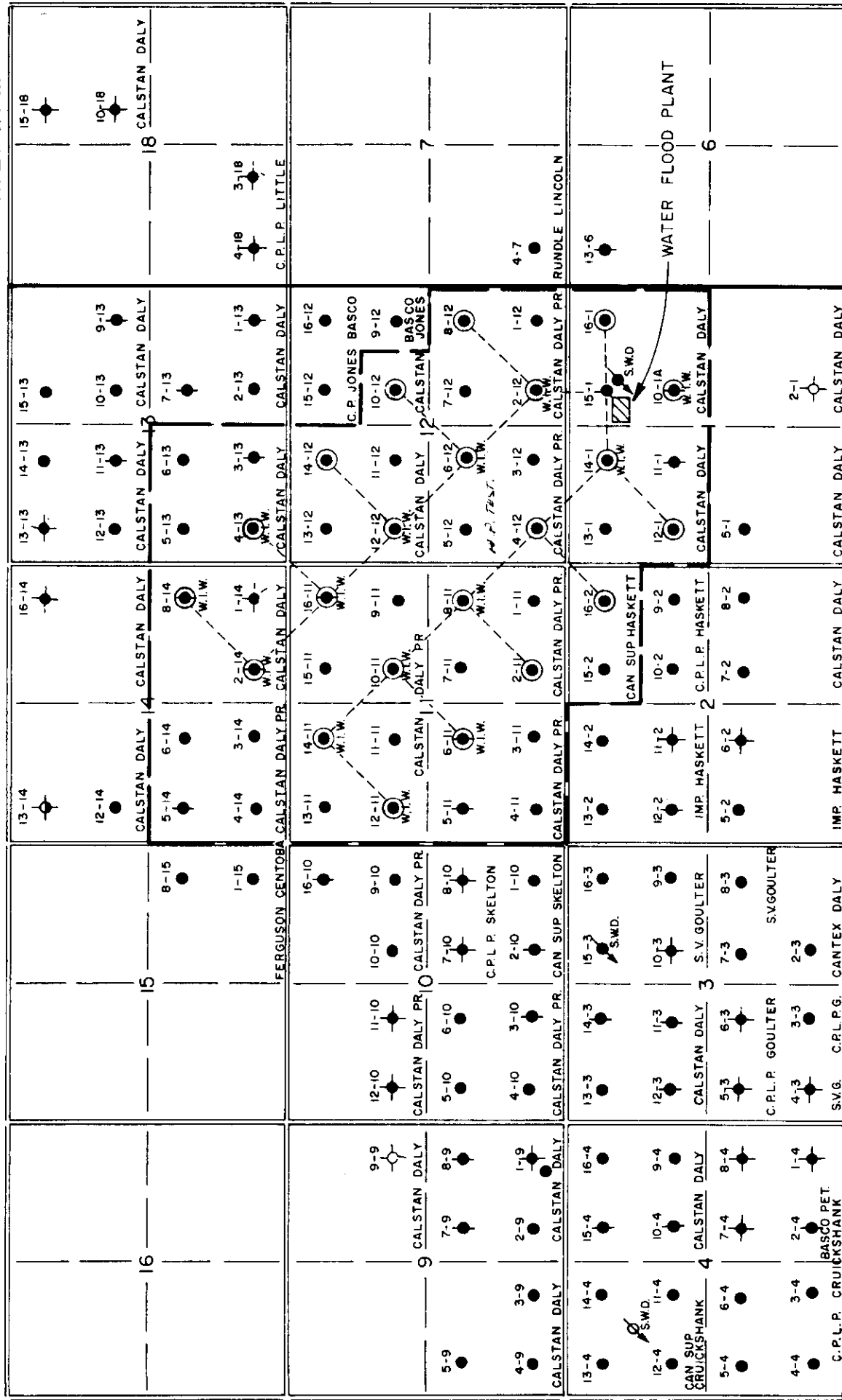


PROPOSED 1969 ENLARGEMENT
VIRDEN ROSELEA UNIT No. 2

- ▨ ENLARGEMENT AREA
- UNIT BOUNDARY
- INJECTION WELL
- ⊙ S.W.D. WELL

R. 28

R. 27 WPM



LEGEND
INJECTION WELL

FIGURE 1
DALY WATER FLOOD AREA

SCALE - 1" = 1/2 Mile

A - 7788

LIABILITIES AND NET WORTH

Bank Advances (secured)	\$ 4,236,841
Advances from Province of Manitoba — Funded	58,000,000
— Unfunded	86,487,500
Bonds Payable — C.P.P.	24,915,000
Accounts Payable and Accrued Expenses	2,395,975
Total Liabilities	\$171,035,319
Capital Stock	\$ 5,000,000
Reserve Funds	(14,415,253)
Net Worth	(9,415,253)
	<u>\$161,620,066</u>

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UNDER THE MINES ACT

THE NORTH VIRDEN SCALLION UNIT NO. 1

SCHEDULE "B"

PRIMA FACIE WORKING INTEREST OWNERS AND THEIR PARTICIPATING INTEREST
IN THE NORTH VIRDEN SCALLION UNIT NO. 1

Working Interest Owners	Participating Interest
Chevron Standard Limited	61.34827
Shell Canada Limited	7.02213
Sun Oil Company	6.86857
Dome Petroleum Limited	4.93739
Canadian Superior Oil Ltd.	4.36564
Union Oil Company of Canada Limited	3.96180
Canadian Reserve Oil and Gas Ltd.	3.22193
Imperial Oil Limited	2.01033
Milestone Petroleum Limited	1.19351
Provo Gas (Sask.) Limited	1.18140
Gulf Oil Canada Limited	1.11762
Canadian Export Gas & Oil Limited	0.99954
Western Naco Petroleum Limited	0.41657
Provo Gas Products Ltd.	0.40996
Daniel J. Pickrell & Virginia C. Pickrell	0.34280
Triton Oil & Gas Corp.	0.28166
Daniel J. Pickrell	0.21132
Security Freehold Petroleum Limited	0.10936
	100.00000

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THE NORTH VIRDEN SCALLION UNIT NO. 1

SCHEDULE "A"

TRACT NUMBERS AND THE PRIMA FACIE WORKING INTEREST OWNERS OF THE TRACTS
IN THE NORTH VIRDEN SCALLION UNIT NO. 1

Tract Number	Working Interest Owners	Percentage Working Interest Ownership	Tract Number	Working Interest Owners	Percentage Working Interest Ownership
6-2	Chevron Standard Limited	100	3-11	Chevron Standard Limited	100
7-2	Triton Oil & Gas Corp.	33 1/3	4-11	Chevron Standard Limited	100
	Security Freehold Petroleum Limited	66 2/3	5-11	Chevron Standard Limited	100
10-2	Triton Oil & Gas Corp.	33 1/3	6-11	Chevron Standard Limited	100
	Security Freehold Petroleum Limited	66 2/3	7-11	Chevron Standard Limited	100
11-2	Chevron Standard Limited	100	8-11	Chevron Standard Limited	100
13-2	Chevron Standard Limited	100	10-11	Chevron Standard Limited	100
14-2	Chevron Standard Limited	100	11-11	Chevron Standard Limited	100
15-2	Triton Oil & Gas Corp.	33 1/3	12-11	Chevron Standard Limited	100
	Security Freehold Petroleum Limited	66 2/3	13-11	Chevron Standard Limited	100
16-2	Triton Oil & Gas Corp.	33 1/3	14-11	Chevron Standard Limited	100
	Security Freehold Petroleum Limited	66 2/3	5-13	Chevron Standard Limited	100
9-9	Chevron Standard Limited	100	6-13	Chevron Standard Limited	100
15-9	Chevron Standard Limited	100	7-13	Chevron Standard Limited	100
16-9	Chevron Standard Limited	100	10-13	Chevron Standard Limited	100
1-10	Chevron Standard Limited	100	11-13	Chevron Standard Limited	100
2-10	Chevron Standard Limited	100	12-13	Chevron Standard Limited	100
3-10	Chevron Standard Limited	100	13-13	Chevron Standard Limited	100
5-10	Chevron Standard Limited	100	14-13	Chevron Standard Limited	100
6-10	Chevron Standard Limited	100	15-13	Chevron Standard Limited	100
7-10	Chevron Standard Limited	100	3-14	Chevron Standard Limited	100
8-10	Chevron Standard Limited	100	4-14	Sun Oil Company	100
9-10	Chevron Standard Limited	100	5-14	Sun Oil Company	100
10-10	Chevron Standard Limited	100	6-14	Sun Oil Company	100
11-10	Chevron Standard Limited	100	7-14	Dome Petroleum Limited	100
12-10	Chevron Standard Limited	100	8-14	Dome Petroleum Limited	100
13-10	Chevron Standard Limited	100	9-14	Canadian Reserve Oil and Gas Ltd.	100
14-10	Chevron Standard Limited	100	10-14	Canadian Reserve Oil and Gas Ltd.	100
15-10	Chevron Standard Limited	100	11-14	Sun Oil Company	100
16-10	Chevron Standard Limited	100	12-14	Sun Oil Company	100
1-11	Chevron Standard Limited	100	13-14	Sun Oil Company	100
2-11	Chevron Standard Limited	100	15-14	Canadian Reserve Oil and Gas Ltd.	100

Tract Number	Working Interest Owners	Percentage Working Interest Ownership	Tract Number	Working Interest Owners	Percentage Working Interest Ownership
16-14	Canadian Reserve Oil and Gas Ltd.	100		Provo Gas Producers Limited	5 23/50
1-15	Chevron Standard Limited	100		Daniel J. Pickrell & Virginia C. Pickrell	8 1/3
2-15	Chevron Standard Limited	100		Daniel J. Pickrell	4 1/6
3-15	Chevron Standard Limited	100	9-22	Sun Oil Company	100
4-15	Chevron Standard Limited	100	10-22	Sun Oil Company	100
5-15	Chevron Standard Limited	100	11-22	Chevron Standard Limited	100
6-15	Chevron Standard Limited	100	12-22	Chevron Standard Limited	100
7-15	Chevron Standard Limited	100	13-22	Chevron Standard Limited	100
8-15	Chevron Standard Limited	100	14-22	Chevron Standard Limited	100
9-15	Chevron Standard Limited	100	15-22	Sun Oil Company	100
10-15	Chevron Standard Limited	100	16-22	Sun Oil Company	100
11-15	Chevron Standard Limited	100	5-23	Sun Oil Company	100
12-15	Chevron Standard Limited	100	6-23	Sun Oil Company	100
13-15	Chevron Standard Limited	100	9-23	Chevron Standard Limited	100
14-15	Chevron Standard Limited	100	10-23	Chevron Standard Limited	100
15-15	Chevron Standard Limited	100	11-23	Chevron Standard Limited	100
16-15	Chevron Standard Limited	100	12-23	Chevron Standard Limited	100
1-16	Dome Petroleum Limited	44 2/25	13-23	Chevron Standard Limited	100
	Provo Gas Producers Limited	10 23/25	14-23	Chevron Standard Limited	100
	Provo Gas (Sask.) Limited	20	15-23	Chevron Standard Limited	100
	Daniel J. Pickrell & Virginia C. Pickrell	16 2/3	16-23	Chevron Standard Limited	100
	Daniel J. Pickrell	8 1/3	2-24	Chevron Standard Limited	100
2-16	Canadian Superior Oil Ltd.	50	3-24	Dome Petroleum Limited	40
	Dome Petroleum Limited	22 1/25		Canadian Superior Oil Ltd.	50
	Provo Gas Producers Limited	5 23/50		Provo Gas (Sask.) Limited	10
	Provo Gas (Sask.) Limited	10	4-24	Dome Petroleum Limited	40
	Daniel J. Pickrell & Virginia C. Pickrell	8 1/3		Canadian Superior Oil Ltd.	50
	Daniel J. Pickrell	4 1/6		Provo Gas (Sask.) Limited	10
7-16	Canadian Superior Oil Ltd.	50	5-24	Dome Petroleum Limited	40
	Dome Petroleum Limited	22 1/25		Canadian Superior Oil Ltd.	50
	Provo Gas Producers Limited	5 23/50		Provo Gas (Sask.) Limited	10
	Provo Gas (Sask.) Limited	10	6-24	Dome Petroleum Limited	40
	Daniel J. Pickrell & Virginia C. Pickrell	8 1/3		Canadian Superior Oil Ltd.	50
	Daniel J. Pickrell	4 1/6		Provo Gas (Sask.) Limited	10
8-16	Canadian Superior Oil Ltd.	50	11-24	Chevron Standard Limited	100
	Dome Petroleum Limited	22 1/25	12-24	Chevron Standard Limited	100
	Provo Gas Producers Limited	5 23/50	13-24	Chevron Standard Limited	100
	Provo Gas (Sask.) Limited	10	14-24	Chevron Standard Limited	100
	Daniel J. Pickrell & Virginia C. Pickrell	8 1/3	15-24	Chevron Standard Limited	100
	Daniel J. Pickrell	4 1/6	3-25	Chevron Standard Limited	100
9-16	Chevron Standard Limited	100	4-25	Chevron Standard Limited	100
10-16	Chevron Standard Limited	100	5-25	Chevron Standard Limited	100
15-16	Chevron Standard Limited	100	1-26	Canadian Reserve Oil and Gas Ltd.	100
16-16	Chevron Standard Limited	100	2-26	Canadian Reserve Oil and Gas Ltd.	100
1-21	Chevron Standard Limited	100	3-26	Sun Oil Company	100
2-21	Chevron Standard Limited	100	4-26	Sun Oil Company	100
3-21	Chevron Standard Limited	100	5-26	Sun Oil Company	100
6-21	Chevron Standard Limited	100	6-26	Sun Oil Company	100
7-21	Chevron Standard Limited	100	7-26	Canadian Reserve Oil and Gas Ltd.	100
8-21	Chevron Standard Limited	100	8-26	Canadian Reserve Oil and Gas Ltd.	100
9-21	Shell Canada Limited	100	10-26	Sun Oil Company	100
10-21	Shell Canada Limited	100	11-26	Dome Petroleum Limited	40
11-21	Shell Canada Limited	100		Canadian Superior Oil Ltd.	50
14-21	Shell Canada Limited	100		Provo Gas (Sask.) Limited	10
15-21	Shell Canada Limited	100		Provo Gas (Sask.) Limited	40
16-21	Shell Canada Limited	100	12-26	Canadian Superior Oil Ltd.	50
1-22	Canadian Superior Oil Ltd.	50		Provo Gas (Sask.) Limited	10
	Dome Petroleum Limited	22 1/25	1-27	Sun Oil Company	100
	Provo Gas (Sask.) Limited	10	2-27	Sun Oil Company	100
	Provo Gas Producers Limited	5 23/50	3-27	Chevron Standard Limited	100
	Daniel J. Pickrell & Virginia C. Pickrell	8 1/3	4-27	Chevron Standard Limited	100
	Daniel J. Pickrell	4 1/6	5-27	Chevron Standard Limited	100
2-22	Chevron Standard Limited	56 1/4	6-27	Chevron Standard Limited	100
	Canadian Superior Oil Ltd.	25	7-27	Sun Oil Company	100
	Dome Petroleum Limited	7 1/2	8-27	Sun Oil Company	100
	Provo Gas (Sask.) Ltd.	5	9-27	Sun Oil Company	100
	Daniel J. Pickrell & Virginia C. Pickrell	4 1/6	10-27	Sun Oil Company	100
	Daniel J. Pickrell	2 1/12	11-27	Chevron Standard Limited	100
3-22	Chevron Standard Limited	100	12-27	Chevron Standard Limited	100
4-22	Chevron Standard Limited	100	13-27	Chevron Standard Limited	100
5-22	Chevron Standard Limited	100	14-27	Chevron Standard Limited	100
6-22	Chevron Standard Limited	100	15-27	Sun Oil Company	100
7-22	Canadian Superior Oil Ltd.	50	16-27	Sun Oil Company	100
	Dome Petroleum Limited	22 1/25	1-28	Dome Petroleum Limited	50
	Provo Gas (Sask.) Limited	10		Provo Gas (Sask.) Limited	30
	Provo Gas Producers Limited	5 23/50		Western Naco Petroleum Limited	20
	Daniel J. Pickrell & Virginia C. Pickrell	8 1/3	2-28	Canadian Superior Oil Ltd.	50
	Daniel J. Pickrell	4 1/6		Dome Petroleum Limited	25
8-22	Canadian Superior Oil Ltd.	50		Provo Gas (Sask.) Limited	15
	Dome Petroleum Limited	22 1/25		Western Naco Petroleum Limited	10
	Provo Gas (Sask.) Limited	10	3-28	Gulf Oil Canada Limited	50
				Union Oil Company of Canada Limited	50
			5-28	Gulf Oil Canada Limited	50
				Union Oil Company of Canada Limited	50

Tract Number	Working Interest Owners	Percentage Working Interest Ownership	Tract Number	Working Interest Owners	Percentage Working Interest Ownership
6-28	Gulf Oil Canada Limited	50		Union Oil Company of Canada Limited	25
	Union Oil Company of Canada Limited	50	7-34	Canadian Reserve Oil and Gas Ltd.	75
7-28	Canadian Superior Oil Ltd.	50		Union Oil Company of Canada Limited	25
	Dome Petroleum Limited	25	11-34	Canadian Reserve Oil and Gas Ltd.	75
	Provo Gas (Sask.) Limited	15		Union Oil Company of Canada Limited	25
	Western Naco Petroleum Limited	10	12-34	Canadian Reserve Oil and Gas Ltd.	75
8-28	Canadian Superior Oil Ltd.	50		Union Oil Company of Canada Limited	25
	Dome Petroleum Limited	25	13-34	Union Oil Company of Canada Limited	100
	Provo Gas (Sask.) Limited	15	14-34	Canadian Reserve Oil and Gas Ltd.	75
	Western Naco Petroleum Limited	10		Union Oil Company of Canada Limited	25
9-28	Canadian Superior Oil Ltd.	50	3-3	Milestone Petroleum Limited	100
	Dome Petroleum Limited	25	4-3	Dome Petroleum Limited	89 2/25
	Provo Gas (Sask.) Limited	15		Provo Gas Producers Limited	10 23/25
	Western Naco Petroleum Limited	10	5-3	Dome Petroleum Limited	89 2/25
10-28	Canadian Superior Oil Ltd.	50		Provo Gas Producers Limited	10 23/25
	Dome Petroleum Limited	25	6-3	Milestone Petroleum Limited	100
	Provo Gas (Sask.) Limited	15	12-3	Dome Petroleum Limited	89 2/25
	Western Naco Petroleum Limited	10		Provo Gas Producers Limited	10 23/25
11-28	Gulf Oil Canada Limited	50	1-4	Dome Petroleum Limited	22 1/25
	Union Oil Company of Canada Limited	50		Provo Gas (Sask.) Limited	10
12-28	Gulf Oil Canada Limited	50		Provo Gas Producers Limited	5 23/50
	Union Oil Company of Canada Limited	50		Canadian Superior Oil Ltd.	12 1/2
13-28	Gulf Oil Canada Limited	50		Daniel J. Pickrell	22 1/25
	Union Oil Company of Canada Limited	50	2-4	Dome Petroleum Limited	50
14-28	Gulf Oil Canada Limited	50		Canadian Superior Oil Ltd.	10
	Union Oil Company of Canada Limited	50		Provo Gas (Sask.) Limited	5 23/50
15-28	Canadian Superior Oil Ltd.	50		Provo Gas Producers Limited	8 1/3
	Dome Petroleum Limited	25		Daniel J. Pickrell & Virginia C. Pickrell	4 1/6
	Provo Gas (Sask.) Limited	15		Daniel J. Pickrell	100
	Western Naco Petroleum Limited	10	3-4	Chevron Standard Limited	100
16-28	Canadian Superior Oil Ltd.	50	4-4	Chevron Standard Limited	100
	Dome Petroleum Limited	25	5-4	Chevron Standard Limited	100
	Provo Gas (Sask.) Limited	15	6-4	Chevron Standard Limited	100
	Western Naco Petroleum Limited	10	7-4	Dome Petroleum Limited	22 1/25
16-32	Shell Canada Limited	100		Canadian Superior Oil Ltd.	50
1-33	Imperial Oil Limited	100		Provo Gas (Sask.) Limited	10
2-33	Imperial Oil Limited	100		Provo Gas Producers Limited	5 23/50
3-33	Shell Canada Limited	100		Daniel J. Pickrell & Virginia C. Pickrell	8 1/3
4-33	Shell Canada Limited	100		Daniel J. Pickrell	4 1/6
5-33	Shell Canada Limited	100	8-4	Dome Petroleum Limited	22 1/25
6-33	Shell Canada Limited	100		Canadian Superior Oil Ltd.	50
7-33	Imperial Oil Limited	100		Provo Gas (Sask.) Limited	10
8-33	Chevron Standard Limited	100		Provo Gas Producers Limited	5 23/50
9-33	Imperial Oil Limited	100		Daniel J. Pickrell & Virginia C. Pickrell	8 1/3
10-33	Imperial Oil Limited	100		Daniel J. Pickrell	4 1/6
11-33	Shell Canada Limited	100	9-4	Union Oil Company of Canada Limited	100
12-33	Shell Canada Limited	100	10-4	Union Oil Company of Canada Limited	100
13-33	Shell Canada Limited	100	11-4	Chevron Standard Limited	100
14-33	Shell Canada Limited	100	12-4	Chevron Standard Limited	100
15-33	Imperial Oil Limited	100	13-4	Chevron Standard Limited	100
16-33	Union Oil Company of Canada Limited	100	14-4	Chevron Standard Limited	100
2-34	Gulf Oil Canada Limited	50	15-4	Union Oil Company of Canada Limited	100
	Union Oil Company of Canada Limited	50	1-5	Canadian Export Gas & Oil Ltd.	100
3-34	Gulf Oil Canada Limited	50	7-5	Canadian Export Gas & Oil Ltd.	100
	Union Oil Company of Canada Limited	50	8-5	Canadian Export Gas & Oil Ltd.	100
4-34	Gulf Oil Canada Limited	50	9-5	Canadian Export Gas & Oil Ltd.	100
	Union Oil Company of Canada Limited	50	16-5	Triton Oil & Gas Corp.	100
5-34	Canadian Reserve Oil and Gas Ltd.	75			
	Union Oil Company of Canada Limited	25			
6-34	Canadian Reserve Oil and Gas Ltd.	75			

UNDER THE LIQUOR CONTROL ACT

Hillcrest Place,
26th Street and Trotter Avenue,
Brandon, Manitoba

Take notice that an application has been made by the undersigned Hillcrest Place Ltd., of the City of Winnipeg, in the Province of Manitoba, to The Liquor Control Commission for a Dining Room Liquor Licence for the premises described, as follows:

Parcel One: Lot 2, in Block 15 as shown on a Plan of part of the City of Brandon, in Manitoba, registered in the Brandon Land Titles Office as No. 1416;
Parcel Two: All that portion of Southern Avenue (now closed) shown bordered green on a Plan of Survey of part of the City of Brandon, in Manitoba, registered in the Brandon Land Titles Office as No. 1523, excepting thereout all mines



CHEVRON STANDARD LIMITED

400 FIFTH AVENUE S.W., CALGARY 1, ALBERTA

March 17, 1969

North Virden Scallion Unit No. 1
Enlargement No. 2

TO: ALL WORKING INTEREST OWNERS
NORTH VIRDEN SCALLION UNIT NO. 1

Gentlemen:

Since Enlargement No. 1, which became effective October 1, 1964, several wells have been completed directly offsetting North Virden Scallion Unit No. 1. As per the directions from the Operating Committee the Engineering Committee will convene on March 28, 1969 to discuss and make recommendations regarding tracts to be included, participation formulae and tract factors. A notice of meeting with agenda is attached. Enlargement No. 2 could include the following tracts:

LSD 12- 2-11-26
LSD 10-11-11-26
LSD 11-11-11-26
LSD 14-11-11-26
LSD 2-22-11-26
LSD 2-24-11-26
LSD 14-24-11-26
LSD 3-25-11-26
LSD 8-33-11-26
LSD 10A-34-11-26
LSD 15-34-11-26

Inasmuch as application has been received for most of the above tracts, Chevron Standard Limited has undertaken to evaluate and propose participation formulae and tract factors. Several recently drilled wells have not been

All Working Interest Owners
North Virden Scallion Unit No. 1

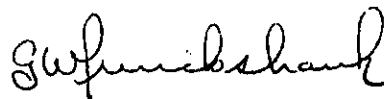
- 2 -

March 17, 1969

placed on production and, therefore, have not been included in these calculations. Table I, attached, presents proposed participation formula and tract factors.

If further information is required, please contact the undersigned.

Yours very truly,



G. W. CRUICKSHANK, Chairman
North Virden Scallion Unit No. 1
Engineering Committee

GWC:mg
Attach.

cc: Copperhead Oil Company Limited, Virden, Manitoba



CHEVRON STANDARD LIMITED

400 FIFTH AVENUE S.W., CALGARY 1, ALBERTA

March 17, 1969

Notice of Meeting

TO: ALL WORKING INTEREST OWNERS
NORTH VIRDEN SCALLION UNIT NO. 1

A meeting of the North Virden Scallion Unit No. 1 Engineering Committee will be held in Room 971 of the Chevron Standard Building, 400 Fifth Avenue S.W., Calgary, Alberta on Friday, March 28, 1969 at 9:00 a.m.

AGENDA

1. Consider and make recommendations regarding the wells to be included in the Unit by enlargement.
2. Resolve whether or not waterflood response is evident at the wells on tracts 14-24-11-26, 3-25-11-26 and 8-33-11-26 and recommend the participation formula that should be used for the inclusion of these tracts in the Unit by enlargement.
3. Discuss and make recommendations on participation formulae that should be used for the inclusion of the remainder of the tracts in the Unit by enlargement.
4. Discuss and make recommendations regarding the extension of waterflood facilities as a result of Unit enlargement.
5. Other items pertinent to Unit enlargement.

Yours very truly,

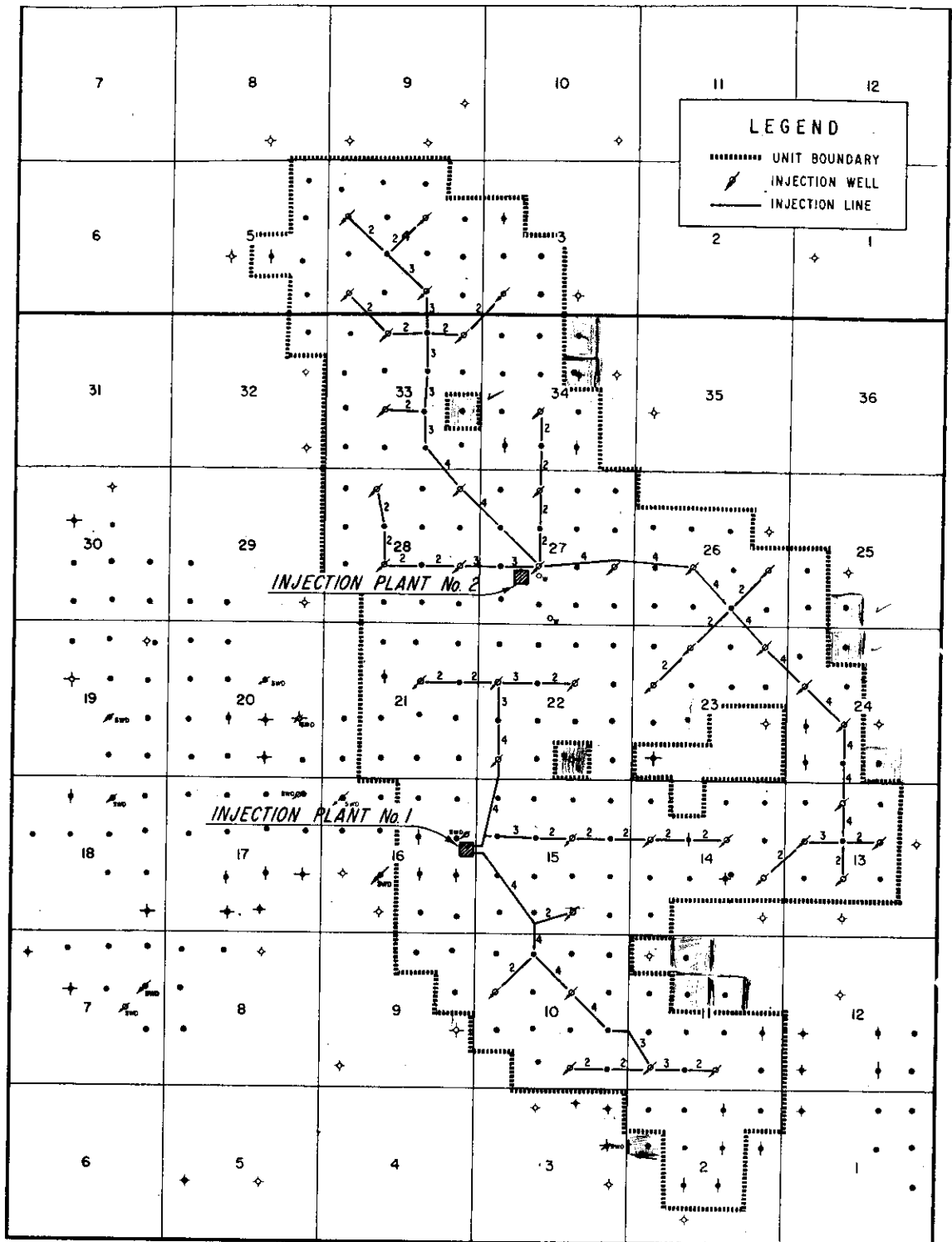
G. W. CRUICKSHANK, Chairman
North Virden Scallion Unit No. 1
Engineering Committee

GWC:mg

cc: Copperhead Oil Company Limited, Virden, Manitoba

R.26 W.P.M.

T.12



T.11

FIGURE 1
NORTH VIRDEN SCALLION UNIT No.1
AS OF
DECEMBER 31, 1968

SCALE IN MILES

NORTH VIRDEN SCALLION UNIT NO. 1

UNIT ENLARGEMENT NO. 2 - CALCULATION OF TRACT PARTICIPATION

Tract	Cum. Prod. to 12/31/68 (1)	Recip. of Months x 1000 (2)	Current Prod. (3)	Water Cut (4)	1.000000 (5)	(1)x(2)x(5) % of Total (6)	(3) as % of Total (7)	50% of (8)	50% of (9)	Tract Factor (10)	"Current" Prod. Period
217 221 Well Unit	10,705,192 10,730,187	18,28007	632,897	0.4103360	0.589664	97.272210	96.430868	48.636105	48.215434	96.851539	May 1/61 - Oct. 31/61
10A-34-11-26	(24,20) 3,446	50.00000	553	0.8535880	0.146420	0.021216	0.084257	0.010608	0.042129	0.052737	Mar. 1/68 - Aug. 31/68
12-2-11-26	(1432) 1,430	52.63158	327	0.6179910	0.382009	0.024180	0.049823	0.012090	0.024912	0.037002	May 1/68 - Oct. 31/68
10-11-11-26	(6854) 6,764	35.71429	1,300	0.5938770	0.406123	0.082510	0.198074	0.041255	0.099037	0.140292	July 1/68 - Dec. 31/68
11-11-11-26	(12602) 12,063	37.03704	2,029	0.0768880	0.923112	0.346853	0.309147	0.173426	0.154573	0.327999	July 1/68 - Dec. 31/68
14-11-11-26	3,769	43.47826	1,031	0.5311510	0.468849	0.064615	0.157088	0.032307	0.078544	0.110851	July 1/68 - Dec. 31/68
2-24-11-26	4,678	47.61905	1,144	0.8795790	0.120421	0.022560	0.174305	0.011280	0.087152	0.098432	July 1/68 - Dec. 31/68
3-25-11-26	13,870	333.33333	*8,133	0.0317857	0.9682143	1.050413	1.239178	0.525207	0.619589	1.144796	Dec. 1/68 - Jan. 31/69
8-33-11-26	10,688	125.00000	8,908	0.0072439	0.9927561	1.115444	1.357261	0.557722	0.678630	1.236352	Aug. 1/68 - Jan. 31/69
Totals	10,776,895		652,322			100.000001	100.000001	50.000000	50.000000	100.000000	

Note: Proposed Participation Formula as follows:

$$\text{Tract Factor} = 0.5 \times \frac{\text{Tract Current Oil Production}}{\sum \text{Current Oil Production}} + 0.5 \times \frac{\text{Average Monthly Tract Prod. (1 - Water Cut)}}{\sum \text{Average Monthly Prod. (1 - Water Cut)}}$$

* Extrapolated 6 Month Production based on 2 months of available production.

NORTH VIRDEN SCALLION UNIT NO. 1

UNIT ENLARGEMENT NO. 2 - CALCULATION OF TRACT PARTICIPATION

Tract	Cum. Prod. to 12/31/68 (1)	Recip. of Months x 1000 (2)	Current Prod. (3)	Water Cut (4)	1.000000 -(4) (5)	(1)x(2)x(5) % of Total (6)	(3) as % of Total (7)	50% of (6) (8)	50% of (7) (9)	Tract Factor (10)	"Current" Prod. Period	
221 Well Unit	10,730,187	18.28007	632,897	0.4103360	0.589664	97.272210	96.430868	48.636105	48.215434	96.851539	May 1/61 - Oct. 31/61	22
10A-34-11-26	3,446	50.00000	553	0.8535880	0.146420	0.021216	0.084257	0.010608	0.042129	0.052737	Mar. 1/68 - Aug. 31/68	10
12-2-11-26	1,430	52.63158	327	0.6179910	0.382009	0.024180	0.049823	0.012090	0.024912	0.037002	May 1/68 - Oct. 31/68	12
10-11-11-26	6,764	35.71429	1,300	0.5938770	0.406123	0.082510	0.198074	0.041255	0.099037	0.140292	July 1/68 - Dec. 31/68	10
11-11-11-26	12,063	37.03704	2,029	0.0768880	0.923112	0.346853	0.309147	0.173426	0.154573	0.327999	July 1/68 - Dec. 31/68	11
14-11-11-26	3,769	43.47826	1,031	0.5311510	0.468849	0.064615	0.157088	0.032307	0.078544	0.110851	July 1/68 - Dec. 31/68	14
2-24-11-26	4,678	47.61905	1,144	0.8795790	0.120421	0.022560	0.174305	0.011280	0.087152	0.098432	July 1/68 - Dec. 31/68	2-
3-25-11-26	3,870	333.33333	*8,133	0.0317857	0.9682143	1.050413	1.239178	0.525207	0.619589	1.144796	Dec. 1/68 - Jan. 31/69	3-
8-33-11-26	10,688	125.00000	8,908	0.0072439	0.9927561	1.115444	1.357261	0.557722	0.678630	1.236352	Aug. 1/68 - Jan. 31/69	8-
Totals	10,776,895		652,322			100.000001	100.000001	50.000000	50.000000	100.000000		To

Note: Proposed Participation Formula as follows:

$$\text{Tract Factor} = 0.5 \times \frac{\text{Tract Current Oil Production}}{\sum \text{Current Oil Production}} + 0.5 \times \frac{\text{Average Monthly Tract Prod. (1 - Water Cut)}}{\sum \text{Average Monthly Prod. (1 - Water Cut)}}$$

* Extrapolated 6 Month Production based on 2 months of available production.

F. S. Gamay
Reservoir Engineer

M. J. Gobert
Assistant Deputy Minister

ROUTLEDGE-WEST ROUTLEDGE UNIT #1
Proposed Unit

May 16, 1969

1. Total number tracts (40 acres) in Unit	= 108	Total acreage	= 4,320
Crown tracts (40 acres) in Unit	= 40		= 1,600
Crown fraction acreage			= 5.52
Total Crown acreage			= 1,605.52

Percentage Crown acreage = 37.16481%

Crown Participation (based on tract factors) = 36.96607%

2. Comparison of actual production with production based on participation factors for 6 months current production - June-November 1968 - is as follows:

6 months unit production (108 tracts)	= 282,096 bbls.
6 months Crown tract production (40 tracts)	= 112,442 "
Percentage of oil from Crown tracts	= 39.85948%
Crown participation based on tract factors	= 36.96607%
Crown oil from unit <u>would be</u> $\frac{36.96607}{100} \times 282,096$	= 104,280 bbls.
Crown production loss (112,442 - 104,280)	= 8,142 bbls./6 months
Royalty loss (12 1/2% of 8,142)	= 1,017 bbls./6 months
Value @ 2.50 bbl.	= \$2,542/6 months
	= \$4.23 per month

3. Comparison of Working Interest Owners Production v. Unit Participation for 6-month period June - November 1968

	<u>Actual production</u> <u>June - Nov. 1968</u>	<u>Production share</u> <u>by participation</u>	<u>Gain or Loss</u>
Chevron	156,796	154,528	- 2,268
Bralorne	64,639	62,339	- 2,300
Mineraloid	29,841	30,128	+ 287
Drevzoil	28,306	33,046	+ 4,740
Rundle	2,514	2,054	- 460
	<hr/> 282,096	<hr/> 282,095	

4. Comments

(1) The Tract participation, as proposed for the Unit, will result in Chevron, Bralorne and Rundle taking a loss in production, mainly to the benefit of Drevzoil. As Chevron operates on 23 Crown Tracts, Bralorne on 14 Crown Tracts and Rundle on 3 Crown Tracts, it is obvious that the Crown, as a Royalty owner, will be adversely affected; this is assuming that the total unit production will not be increased. Although the "Plan for Unit Operation" authorizes the Working Interest Owners (under 2.04) to inject and convert wells for injection, the possibility of secondary recovery or pressure maintenance is not discussed.

(2) Under Part I - Interpretation of the Plan - "unitized strata" (v) refers to the electrical log for Samadan West Routledge 13-11-9-25 well. This well is not in the proposed Unit area.

(3) Corrections in "Plan" -

Page 65 - Wells delivered to Unit Operator -

Chevron Routledge SWD 16-21-9-25 should read

Chevron Routledge CPR 16-21-9-25

(4) The Plan is a duplicate of the Virden-Roselea Unit #3 except that changes have been made in Part III Tract Participation; and in 8.05 and 8.06 of Part VIII dealing with rates of interest charged.