

Manitoba



The Oil and Natural Gas
Conservation Board

Room 309
Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

(204) 945-3130

APR 24 1986

BAND
COI
file

Chevron Canada Resources Limited
500 - 5th Avenue S.W.
Calgary, Alberta
T2P 0L7

Attention: Mr. T. M. Dougall

Dear Sirs:

Re: West Butler Unit No. 1

Your letter of March 20, 1986 relating to the subject Unit is acknowledged.

The Board hereby approves the transfer of the Operatorship of West Butler Unit No. 1 from Chevron Canada Resources Limited to Rideau Petroleums Ltd. This change is effective September 1, 1985.

Yours sincerely,

**ORIGINAL SIGNED BY
CHARLES S. KANG**

Charles S. Kang
Chairman

LRD/lk

c.c. Rideau Petroleums Ltd.

b.c. Wm. McDonald
J. F. Redgwell
Petroleum Branch

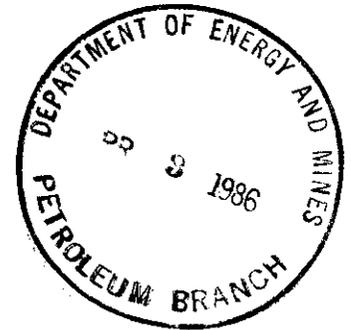


Chevron Canada Resources Limited

500 - Fifth Avenue S.W., Calgary, Alberta T2P 0L7

1986-02-20

→ Bob



Please refer to the attention of
Mr. C. E. Allen

Transfer of Operatorship
West Butler Unit No. 1
Our File No. 30708

The Oil and Natural Gas Conservation Board
555, 230 Graham Avenue
Winnipeg, Manitoba
R3W 4E3

Attention: Mr. D. Thiessen

Gentlemen:

Pursuant to our recent telephone conversation and your request contained in the carbon copy of your letter dated 1986-01-06, this is to advise that the operatorship of the West Butler Unit No. 1 has been transferred from Chevron Canada Resources Limited to Rideau Petroleum Ltd. effective 1985-09-01.

This transfer of operatorship is consented to by Rideau Petroleum Ltd. as evidenced by the authorized signature appearing below.

It is our understanding that with the mutual consent of Rideau Petroleum Ltd., there will be no required waiting period prior to the transfer of operatorship of this unit. Once the transfer of operatorship has been approved by the Board, we would ask for confirmation of same.

We trust that this letter is satisfactory and will provide you with the authority to transfer the operatorship in this unit and should you require further information, please do not hesitate to contact us.

Yours very truly,

T. H. LOGGALL

CLL/hh

RIDEAU PETROLEUM LTD.

per

February 3, 1986

Chevron Canada Resources Limited
Box 100
Virden, Manitoba
ROM 2C0

Attention: K. G. Matiashin,
Area Supervisor

Dear Sir:

Re: West Butler Unit No. 1

Your letter of January 27, 1986 and attached Offer to Sell and Bill of Sale regarding the subject Unit is acknowledged. In order to complete documentation of the transfer, the following should be submitted:

1. Executed transfers of the Crown Oil and Natural Gas Leases involved.
2. If Pipestone Petroleum Inc. is to remain Unit Operator, a performance deposit to cover the wells will be required.
3. If the Unit Operatorship is to be assigned to another operator (e.g. Rideau) a further transfer agreement will be required.
4. Transfer of Well Licence documentation for the following well licences is also required:

<u>Lic. No.</u>	<u>Well Name</u>
1108	Chevron West Butler Prov. 13-29-9-29
1148	Chevron West Butler Prov. WIW 16-30-9-29
1026	Chevron West Butler WSW 1-31-9-29
1127	Chevron West Butler 2-31-9-29
1095	Chevron West Butler 8-31-9-29
2497	Chevron West Butler WSW A7-31-9-29

5. A fee for Transfer of Well Licence of \$50.00 for each licence (total \$300.) and \$25.00 for each Crown Oil and Natural Gas Lease.

If you have any questions on the foregoing, please contact Brad Thiessen at 945-6571.

Yours sincerely,



Brad Thiessen,
Petroleum Administrator

BT/ch

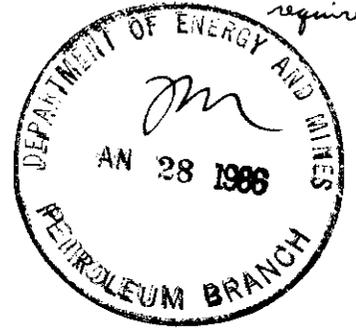
c.c. Pipestone Petroleum Inc.



Chevron Canada Resources Limited

Box 100
Viriden, MB
R0M 2C0

1986-01-27



→ BOB
BRAD
- draft unknown
& indicate
remaining
requirements

Manitoba Energy and Mines
Petroleum Branch
555-330 Graham Avenue
Winnipeg, MB
R3C 4E3

Attention: Mr. H. C. Moster
Director, Petroleum Branch

Dear Sir:

Re: Change of Operatorship - West Butler Unit No. 1

This letter is to inform you that effective 1985-09-01, the subject Unit changed operatorship from Chevron Canada Resources Ltd. to Pipestone Petroleum Inc..

Attached for your information and records are the following:

- (1) The "Offer To Sell" between Chevron and Pipestone made 1985-10-10.
- (2) The "Bill Of Sale" between Chevron and Pipestone made 1985-10-31 for a partial sum of the total purchase price.

Upon completion of the necessary paperwork, an "Application for Transfer of Well License" in compliance with Section 114 of the Petroleum Regulations will be forwarded to your office.

Should you require further information, please contact Mr. John Cooke at 748-1334 or at the letterhead address.

Yours truly,

John Cooke

for K. G. Matieshin
Area Supervisor

JC/cm

OFFER TO SELL

38421

THIS OFFER TO SELL made this 10th day of October, A.D. 1985.

FROM:

CHEVRON CANADA RESOURCES LIMITED, a body corporate having an office and carrying on business at the City of Calgary, in the Province of Alberta (herein called "the Vendor")

- and -

PIPESTONE PETROLEUMS INC., a body corporate having an office and carrying on business at the City of Vancouver, in the Province of British Columbia (herein called "the Purchaser")

The Vendor hereby offers to sell to the Purchaser, subject to and in accordance with the terms and conditions herein contained, at the aggregate sale price of Three Hundred Thousand Dollars (\$300,000.00), its interest in the property and assets described and defined in Schedule I hereunto annexed and made part hereof (hereinafter collectively called "the assets").

1. Acceptance of this Offer can be made by the Purchaser depositing a signed counterpart of this Offer evidencing the Purchaser's acceptance of same with the Vendor at the address specified for notices to the Vendor in clause 13 herein (or at such other address as the Vendor may designate to the Purchaser in writing) on or before 1985-10-30.
2. The Vendor may, in its discretion, from time to time, by notice to the Purchaser, extend the time for the acceptance of this offer.
3. The aggregate sale price of Three Hundred Thousand Dollars

(\$300,000.00) is made up of the sum of Ninety-two Thousand, Two Hundred and Twenty-eight Dollars (\$92,228.00) for the Vendor's right, title and interest in the goods, chattels and personal property mentioned in paragraph (a) of Schedule I and the sum of Two Hundred and Seven Thousand, Seven Hundred and Seventy-two Dollars (\$207,772.00) for the Vendor's interest in all other property and assets contained in this Offer.

4. Acceptance of this Offer within the time and in the manner hereinbefore provided shall constitute a binding agreement for the purchase and sale of the assets; PROVIDED, HOWEVER, and it is a condition precedent to the conclusion of the sale, that such agreement shall not be binding upon the Purchaser unless, on or before the closing date:

(a) The Purchaser shall not have received from its solicitors a report in which the Purchaser's solicitors reasonably determine that the Vendor does not have good title in some portion of the assets which are material to give effect to the transaction herein contemplated or which substantially adversely affect the value of the assets; for which purpose all relevant records and information shall be made available by the Vendor to the Purchaser's solicitors.

(b) Any restrictions on the transfer, sale or assignment of the assets and all legal requirements relating to the sale of the assets shall be waived or complied with so that at such date, in the opinion of the Purchaser's solicitors, the assets can validly and effectually be transferred to the Purchaser.

(c) There shall be no legal proceedings threatened or pending involving the Vendor in connection with the assets.

The conditions of this paragraph are inserted for the Purchaser's

the damages accrued up to the effective date and the Purchaser shall be responsible for the remainder of such damages.

- (b) The Purchaser also acknowledges that a total of two 500 gallon propane tanks, as described in schedule I, are to be retained by the Vendor. The Vendor shall remove these 500 gallon propane tanks on or before thirty (30) days after closing and the Purchaser shall grant or allow to the Vendor such rights of access as may be required to allow the Vendor to remove same.
 - (c) The Purchaser acknowledges that the description of the lands covered by the said lease relating to the East Half of Section 31 (E-1/2 31) Township Nine (9), Range Twenty-nine (29), West of the Principal Meridian contains an exclusion of 6.2 acres held in fee simple by PanCanadian Petroleum Limited which exception is more fully described in paragraph (a) of Schedule I attached hereto.
 - (d) In the event that a portion of the assets described in paragraph 1 of Schedule I is destroyed or damaged after the effective date but before the closing date, the Vendor agrees to either replace such assets with goods of a similar quality and condition or to repair such assets as may be capable of being repaired, which election shall be in the Vendor's sole discretion. In the event that the Purchaser had insurance covering such loss, the Purchaser shall attempt to recover all insurance money to which the Purchaser is entitled, and upon receipt of the insurance monies shall forward same to the Vendor.
6. (a) The closing date shall be deemed to be 12:01 a.m. 1985-10-31, and the closing shall take place on or before 12:00 o'clock noon on that day at the offices of the Vendor, as stipulated in clause 12 herein, or as the parties may otherwise agree. At the closing, the aggregate purchase price aforesaid shall be paid by certified cheque or its equivalent payable at the place of closing to the Vendor or as it may in writing direct.

(b) The effective date of this sale shall be 11:59 p.m. on 1985-08-31 (herein called "the effective date").

7. All benefits and obligations of every kind or nature whatsoever accruing, payable or paid in respect of the assets shall be apportioned between the Vendor and the Purchaser as of the effective date and settled by payment to or by the Vendor and the Purchaser, as the case may be, on or before one (1) month following the closing date.
8. The Vendor shall continue to remain liable and indemnify the Purchaser from and against any liability, loss, costs, claims or damages arising out of benefits or obligations accruing prior to the effective date, and the Purchaser shall indemnify the Vendor from and against similar liability, loss, costs, claims or damages arising subsequent to the effective date.

Notwithstanding the foregoing,

- (i) the Vendor shall not be responsible for the drilling of a well to satisfy any offset obligation arising prior to, on, or after the effective date;
- (ii) the Vendor shall not be responsible for any liability, loss, costs, claims, or damages arising out of the Purchaser's inability to acquire rights to the lands held in fee simple by PanCanadian Petroleum Limited as mentioned in clause 5 (c) herein; and
- (iii) the Vendor shall not be responsible for the abandonment costs of any well on leases sold to the Purchaser, including, without limiting the generality of the foregoing, the wells known as Calston West Butler WSW 1-31-9-29 WPM, Chevron W. Butler A7-31-9-29 WPM and Calstan West Butler Prov. 16-30-9-29 WPM.

Subject to Clause 4, the terms of this clause shall either be in or deemed to apply to all assignments, transfers or documents conveying any of the assets hereunder.

9. All deeds and other documents of transfer of the assets from the Vendor to the Purchaser shall be prepared by the Vendor and shall be delivered to the Purchaser within one (1) week of the closing date.
10. The Vendor will from time to time, on and after the closing date, at the request of the Purchaser, execute and deliver all such other and additional instruments, notices, releases, acquittances and other documents and shall do all such other acts and things as may be necessary more fully to assure the assets to the Purchaser with full substitution and subrogation of the Purchaser in and to all covenants and warranties by other theretofore given or made in respect of the assets.
11. On and after the closing date the Vendor shall deliver to the Purchaser such notices and directions to third parties having any interest in the assets as may reasonably be required by the Purchaser in order to notify such parties of the Purchaser's acquisition of the assets or of the terms of this Offer and the agreement resulting therefrom.
12. Time shall be of the essence hereof.
13. Any notice required or permitted to be given shall be given either by prepaid registered post mailed or by delivery to the Vendor at:

500 Fifth Avenue S.W.,
Calgary, Alberta.
T2P 0L7
Attention: Land Administration

(or at such other address as the Vendor may designate in writing) and to the Purchaser at the address specified in its acceptance of this Offer, or at such address as the Purchaser may designate in writing. Any notice so given by post shall be deemed to have been received in the ordinary course of post.

14. This Offer and the agreement resulting therefrom shall, in all respects, be subject to and be interpreted and construed in accordance with the laws of the Province of Alberta and the civil courts of Alberta shall have jurisdiction. This agreement shall enure to the benefit of the parties hereto, their respective successors and assigns.

CHEVRON CANADA RESOURCES LIMITED

Per: *[Signature]*
Vice-President

Per: *C. E. Sinclair*
Assistant Secretary

TO: The Vendor (Chevron Canada Resources Limited)

We hereby accept the foregoing Offer on the terms and conditions therein set out.

PIPESTONE PETROLEUMS INC.

Per: *J. R. Burns*

Per: *[Signature]*

Address:

205 - 1155 West Pender Street
Vancouver, B.C.
V6E 2P4

Date: _____

SCHEDULE I to the Offer to sell by
Chevron Canada Resources Limited to Pipestone Petroleum Inc.
made this 10th day of October, A.D. 1985.

The following are the assets referred to in the attached Offer
to Sell:

(a) All the Vendor's right, title and interest in and to all contracts and agreements relating or pertinent to the said leases (excluding the surface leases described in paragraph (c) of this Schedule), the production from the said leases and in and to all personal, movable and recoverable property situate in or upon the said leases or used or useful or held for future use in connection with the exploration, development or operation of the said leases, or for the production, treating, storing or transportation of hydrocarbons or other minerals including, but not by way of limitation, all tanks, boilers, buildings, plant, machinery, casing, flow lines, pipe lines, power lines, telephone and telegraph lines, roads and other appurtenances of every kind or nature whatsoever, BUT EXCEPTING therefrom one 500 gallon propane tank located on Lsd. 13-29-9-29 WPM and one 500 gallon propane tank located on Lsd. 1-31-9-29 WPM.

(b) The said leases which shall consist of the following described leases:

(i) a petroleum and natural gas lease dated 1950-12-13, effective the same date, referring to:

The East half of Section Thirty-one (31), in Township Nine (9), in Range Twenty-nine (29), West of the Principal Meridian. Containing three hundred and twenty acres more or less. Excepting thereout that portion taken for the Railway Right of Way, Plan No. 186, containing three acres more or less, in the Brandon Land Titles Office.

- (ii) a petroleum and natural gas lease dated 1955-10-25, effective the same date, referring to:

Being all that portion of the South East Quarter of Section Thirty-one (31) in Township Nine (9) and Range Twenty-nine (29) West of the 1st Meridian, in the Province of Manitoba, which lies between two lines parallel with and each said line being fifty feet distant on opposite sides measured at right angles from the centre line of the Wolseley Reston Branch of the Canadian Pacific Railway, as the same is now constructed across said land and lands adjoining the same, and as shown on a Plan of said Railway filed in the Brandon Land Titles Office as No. 186, containing 3.05 acres more or less.

- (iii) a petroleum and natural gas lease dated 1983-02-2³~~8~~, effective 1982-12-31, referring to:

Legal Subdivision Sixteen of Section Thirty in the Ninth Township and Twenty-ninth Range West of the Principal Meridian in Manitoba.

EXCEPTING THEREOUT, those strata below the base of the Mississippian Lodgepole Formation identified at a K. B. depth of 2,694 feet in the well Rundle Cruickshank Daly 14-4-10-28 WPM. (deemed to contain 16 hectares)

- (iv) a petroleum and natural gas lease dated 1983-02-2⁵~~8~~, effective 1982-12-31, referring to:

Legal Subdivision Thirteen of Section Twenty-nine in the Ninth Township and Twenty-ninth Range West of the Principal Meridian in Manitoba.

EXCEPTING THEREOUT, those strata below the base of the Mississippian Lodgepole Formation identified at a K. B. depth

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Handwritten signature

of 2,694 feet in the well Rundle Cruickshank Daly 14-4-10-28
WPM. (deemed to contain 16 hectares)

all or a portion of which leases are subject to the West Butler Unit
No. 1.

(c) The rights of the Vendor in the following described surface leases:

(i) a surface lease dated 1956-01-26 referring to:

Section Twenty-nine (29), in Township Nine (9) and Range
Twenty-Nine (29), West of the Principal Meridian, in the
Province of Manitoba, excepting thereout all those
portions of the North Half and South East Quarter of said
Section Twenty-Nine taken for Right-of-Way of the Canadian
Pacific Railway as shown on a plan registered in Brandon
Land Titles Office as No. 186;

(ii) a surface lease dated 1972-07-05 referring to:

East Half (E-1/2) of Section Thirty-One (31), Township
Nine (9), Range Twenty-Nine (29) West of the Principal
Meridian. Excepting thereout that portion taken for Right
of Way of the Canadian Pacific Railway as shown on a Plan
filed in Brandon Land Titles Office as No. 186. As more
particularly described in Certificate of Title No. 92447;

(iii) a surface lease dated 1956-01-26 referring to:

The Northeast Quarter (NE 1/4) of Section Thirty (30),
Township Nine (9), Range Twenty-Nine (29) West of the
Principal Meridian EXCEPTING THEREOUT all Mines and
Mineral Rights as reserved in the Grant thereof from the
Crown.

FOR THE AGENT OF THE GRANTEE
(WHERE THE GRANTEE NOT A CORPORATION)

CANADA
PROVINCE OF ALBERTA
TO WIT:

I, _____ of _____
in the Province of Alberta,

make oath and say:

1. That I am the Agent of the Grantee(s) named in the within Bill of Sale.
2. That I am aware of the circumstances connected with the Bill of Sale, and I have a personal knowledge of the facts deposed to.
3. That this Bill of Sale was executed in good faith and not for the mere purpose of protecting the Chattels therein mentioned against the creditors of the Grantor, nor for the purpose of preventing the creditors from recovering any claims that they have against the Grantor.

SWORN before me at the _____ of _____
in the Province of Alberta,
this _____ day of _____ A.D. 19 _____

A Commissioner for Oaths in and for the Province of Alberta

WHERE GRANTEE IS A CORPORATION

CANADA
PROVINCE OF ALBERTA
TO WIT:

I, Andrew R. Williams of the City of Vancouver
in the Province of BRITISH COLUMBIA

make oath and say:

1. That I am an Officer (the Agent) (an employee) of the Grantee Corporation named in the within Bill of Sale.
2. That I am aware of the circumstances connected with the Bill of Sale, and I have a personal knowledge of the facts deposed to.
3. That this Bill of Sale was executed in good faith and not for the mere purpose of protecting the Chattels therein mentioned against the creditors of the Grantor, nor for the purpose of preventing the creditors from recovering any claims that they have against the Grantor.

SWORN before me at the CITY of B.C.
Vancouver in the Province of Alberta,
this 28th day of NOVEMBER A.D. 1985

A Commissioner for Oaths in and for the Province of Alberta
A NOTARY PUBLIC IN AND FOR THE
PROVINCE OF BRITISH COLUMBIA

Andrew R Williams

CANADA
PROVINCE OF ALBERTA
TO WIT:

IN THE MATTER OF Section 116(5)
of the Income Tax Act, being
Chapter 63, S.C. 1970-1971

I/We
of _____
in the Province of Alberta do solemnly declare that:

1. I am/We are the grantor(s) named in the within Bill of Sale and have a personal knowledge of the matters hereinafter deposed to.
2. I/We have resided at _____ in the Province of Alberta for the last _____ years and I/we do verily believe that I am/we are not non-resident(s) within the meaning of the said Income Tax Act.
3. No person other than myself/ourselves has any legal, equitable or beneficial interest in the said property as owner thereof.
4. I/We hereby warrant that all of the statements made by me/us in this Statutory Declaration are true and correct to the best of our/my knowledge, information and belief.

I/We make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath and by virtue of the Canada Evidence Act.

(SEVERALLY) DECLARED BEFORE ME at _____
in the Province of Alberta,
this _____ day of _____ A.D. 19 _____

Well known as Calstan West Butler Prov. 13-29-9-29 WPM
Located on LSD 13-29-9-29 WPM

Engine House (Wood)	1
Cabot D40B pumping unit	1
Arrow pumping engine	1

Downhole Equipment:

Tubing:	60.3 mm tail joint (pup joint)	3.08 m
	60.3 mm PSN	0.24 m
	89 joints 60.3 mm EUE tubing	833.30 m
Rods:	50.8 mm x 38.1 mm x 2.44 m rod	
	insert pump	1
	16 mm plain rods	80
	16 mm x 50.8 mm scraped rods	20
	16 mm pony rods - 1.6 m	2
	1.2 m	1
	1.0 m	3
	28.6 mm x 3.35 m polished rod	1
	38.1 mm x 1.22 m polished rod liner	1

Casing

Linepipe (3") 743 feet

Well known as Calstan West Butler 2-31-9-29 WPM
Located on LSD 2-31-9-29 WPM

Engine House (wood)	1
Cabot D40B pumping unit	1
Arrow pumping engine	1

Downhole equipment:

tubing:	73.0 mm joint c/w Bar Collar	9.54 m
	73.0 mm PSN	0.34 m
	88 joints 73.00 mm EUE tubing	808.34 m
Rods:	63.5 mm x 38.1 mm x 2.44 m rod	
	insert pump	1
	16 mm plain rods	87
	16 mm x 63.5 mm scraped rods	18
	16 mm pony rod	1
	28.6 mm x 3.35 m polished rod	1
	38.1 mm x 1.22 m polished rod liner	1

Casing

Linepipe (3") 1336 feet

Well known as Chevron W. Butler W1W 8-31-9-29 WPM
Located on LSD 8-31-9-29 WPM

Downhole equipment:

Tubing:	177.8 mm Elder Model T tension packer (bullplugged and unset)	1.45 m
	60.3 mm EUE perforated pup joint	1.25
	1 Joint 60.3 mm EUE tubing	9.55
	60.3 mm PSN	0.33
	85 Joints 60.3 mm EUE tubing	807.50
	60.3 mm EUE pup joints	7.51
Rods:	50.8 mm x 38.1 mm x 2.44 m pump	1
	19 mm x .61 m pony rod	1
	19 mm plain rods	70
	22 m plain rods	12
	19 mm x 50.8 mm scraped rods	24
	19 mm pony rods 91.83 m, 1.22m, .61 m	3
	31.8 mm x 3.35 m polished rod	1
	38.1 mm x 1.22 m polished rod liner	1

Casing

Battery located on LSD 1-31-9-29 WPM

Treater House (metal)	1
BS & B SCW Treater	1
Hi 500 bbl. MC Tanks	3
Linepipe (3")	2205 feet
(4")	127 feet
(3" coated)	395 feet

Well known as Calstan West Butler WSW 1-31-9-29 WPM
Located on LSD 1-31-9-29 WPM

Casing only

Well known as Chevron W. Butler A7-31-9-29 WPM
Locating on LSD 7-31-9-29 WPM

Casing only

Well known as Calstan West Butler Prov. 16-30-9-29
Located on LSD 16-30-9-29 WPM

Casing only



Chevron Standard Limited

Box 100
Virden, MB
ROM 2C0
1982-06-23

Dept. of Energy and Mines
Petroleum Branch
975 Century Street
Winnipeg, Manitoba
R3H 0W4



Attention: Mr. L. R. Dubreuil
Chief Petroleum Engineer

Dear Bob:

Re: West Butler Field - Pilot Waterflood

Due to lack of response in offsetting producers, an extended period of suspension is requested on all water supply and injection wells in the West Butler unit. Retention of the wells is desired because of the possibility of reactivation should further field development be initiated.

Please find attached the proper application forms to this effect.

Yours truly,

D. A. Zeeuwen, P. Eng.
Area Supervisor
Virden Area

SDF/ck



Chevron Standard Limited
400 - Fifth Ave. S.W., Calgary, Alberta T2P 0L7

R. A. Park
Manager Production

1979-10-29

Representative Change
Operating Committee
West Butler Unit No. 1

The Oil and Natural Gas Conservation Board
Province of Manitoba
310 Legislative Building
Winnipeg, Manitoba
R3C 0V8

Gentlemen:

We wish to advise you that as of October 1, 1979, the representative of Chevron Standard Limited on the Operating Committee for the subject unit will be:

D. A. Zeeuwen
Chevron Standard Limited
P.O. Box 100
Virden, Manitoba
ROM 2C0

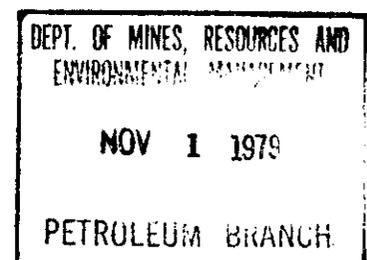
The alternates are Messrs. P. Pisio and D. R. Henderson who are located at the letterhead address.

Yours very truly,


R. A. PARK

DRH/njs

cc: Mr. D. A. Zeeuwen



W. P.
General Counsel

COPY

September 8, 1977

Chevron Standard Limited
P. O. Box 100
Virden, Manitoba
R1A 2A0

Attention: Mr. C. W. Cruickshank, P. Eng.
Area Supervisor

Dear Sir:

Re: West Butler Unit No. 1
1977 Reservoir Pressure Survey

Please find enclosed a copy of a letter dated 77 09 07 from J. S. Hoper, Deputy Chairman of The Oil and Natural Gas Conservation Board granting Chevron Standard Limited, as Unit Operator of West Butler Unit No. 1, exemption from the annual reservoir pressure survey requirement for 1977.

It is requested that the Unit Operator submit its proposed 1978 bottom hole pressure survey program for this Unit to this office for concurrence atleast one month prior to the date the program is to be carried out.

Yours sincerely,

H. C. Koster, P. Eng.,
Director, Petroleum Branch.

HG/et
incl.
b.c. Virden Office

SE - SPA
Tech. Files

COPY

FEB 03 1977

Chevron Standard Limited,
400 - Fifth Avenue S.W.,
Calgary, Alberta.
T2P 0L7

ATTENTION: Mr. J. Zedde.

Dear Mr. Zedde:

Re: West Butler Area
Proposed Pilot Water Flood.

Your letter of 77 01 21 is acknowledged.

The attached plat of your proposed pilot water flood referred to in paragraph 3 of your letter was not received. Thus, the meaning of your statement the proposed pilot project our Company is contemplating in the W. Butler area (see attached plat) should come under a "new well" status and any incremental oil recovered, should receive new oil treatment" is not clear.

Upon receipt of the plat and your explanation of the above, your request will receive further investigation. If other business requires that you travel to Winnipeg, it is suggested that arrangements be made to discuss this matter.

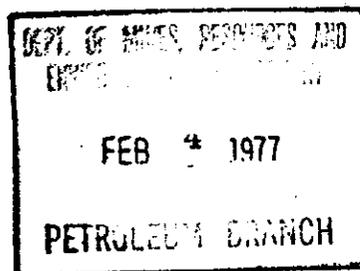
Yours sincerely,

Original Signed By
JAS. T. CAWLEY

Jas. T. Cawley, P. Eng.,
Deputy Minister.

JSR/dw

b.c.: J. S. Roper.
I. Haugh.
H. C. Moster. ✓





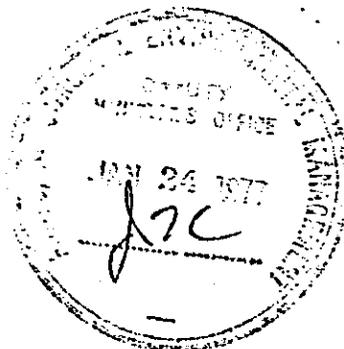
Chevron Standard Limited
 400 - Fifth Ave. S.W., Calgary, Alberta T2P 0L7

J. ZEDDE
 Vice-President
 Producing Department

January 21, 1977

W. Butler Area
Proposed Pilot Water Flood

Mr. J. T. Cawley, P. Eng.
 Deputy Minister
 Department of Mines, Resources
 and Environmental Management
 Government of Manitoba
 Legislature Building
 Winnipeg, Manitoba
 R3C 0V8



Dear Mr. Cawley:

Further to our previous discussions and related correspondence on the above subject, we have now had an opportunity to further consider pertinent Sections of the Mineral Taxation Act.

We would refer you to Section 2⁽¹⁾(f.1)(ii)(A) and (B) dealing with the definition of "new well," wherein the Minister is given a discretion to designate what well(s) qualifies as a "new well."

It is our opinion that the proposed pilot project our Company is contemplating in the W. Butler area (see attached plat) should come under a "new well" status and any incremental oil recovered, should receive new oil treatment under the Act. In the event the pilot project is extended then the expanded portion should receive the same consideration.

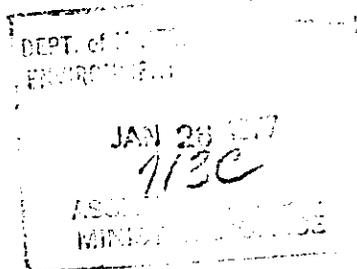
We would appreciate your considering this request and, if favourable, we would suggest that we defer making a submission for legislative change of the Act regarding the definition of "old" and "new" oil until some later date.

We would be pleased to meet with you for further discussion if you so desire.

Yours very truly,

J. ZEDDE

Attachment



DEPARTMENT OF MINES, RESOURCES AND ENVIRONMENTAL MANAGEMENT

ROUTE SLIP

TO *AM Gk.* FROM *HGM*
 TO *West Butte Gen. Corus. File* FROM

- | | | |
|--|--|--|
| <input type="checkbox"/> For your approval or revision | <input type="checkbox"/> Reply direct with copy to me | <input type="checkbox"/> Please sign |
| <input checked="" type="checkbox"/> For your information | <input type="checkbox"/> Please supply data for my reply | <input checked="" type="checkbox"/> Please return to |
| <input type="checkbox"/> Please take action | <input type="checkbox"/> Return with comments and/or recommendations | <input type="checkbox"/> Please see me |
| <input type="checkbox"/> Extracts of minutes for your information and action | <input type="checkbox"/> Investigate and report | <input type="checkbox"/> Please phone |
| <input type="checkbox"/> Please draft reply for signature of | | |

Date *1976 10 01* Subject *Coburn*

Message
Attached is a confidential outline of the basic information of a 5-spot pilot waterflood for West Butte as presented to Cowley & Piper at a mtg on Aug. 23/76.

SPECIAL DEVELOPMENT PROJECTS \$250,000 TO \$500,000

WEST BUTLER UNIT NO. 1

PILOT WATERFLOOD

*Rec'd from
Mr. Conroy
2/27/60 160523
in Mr. Conroy's file*

CONFIDENTIAL

DISCUSSION

A pilot waterflood utilizing an enclosed 5-spot pattern is proposed in the West Butler pool. The existing waterflood has been inconclusive because of an insufficient water supply system. The proposed pilot waterflood would be used to evaluate the potential of a full-scale waterflood covering about four sections in the area.

INVESTMENT

3 Injection Wells	\$303,000
Water Source Well	119,000
Water Supply Well Pump	20,000
Power Costs	35,000
Injection Lines	<u>6,000</u>
TOTAL	\$483,000

ASSUMPTIONS

1. The price of crude oil would be \$9.43 per barrel.
2. Waterflood response would be evident in the central producing well at a rate of 25 BOPD.
3. A fully developed project would produce 33 BOPD per well as the field would be fully developed on a 5-spot injection pattern.
4. Expansion costs for a full scale project ultimately encompassing four sections would amount to an additional \$6,693,000.

ECONOMICS

The economics of the pilot waterflood are as follows: (see also)

Payout	9.2 years
Rate of Return	7%
Present Worth Profit - Undiscounted	\$332,000
Present Worth Profit - Discounted @ 10%	\$-64,000



Chevron Standard Limited
400 - Fifth Ave. S.W., Calgary, Alberta T2P 0L7

J. ZEDDE
Vice-President
Producing Department

August 31, 1976

Mr. J. T. Cawley, P. Eng.
Deputy Minister
Department of Mines, Resources
and Environmental Management
Government of Manitoba
Legislative Building
Winnipeg, Manitoba
R3C 0V8

Dear Mr. Cawley:

Further to our discussions held in your office on August 23, 1976, this letter will confirm Chevron Standard's plan to drill five infill wells in the North Virden Scallion Unit No. 1 in 1977. This program will cost approximately \$400,000 and is, of course, subject to Working Interest approval. These wells are necessary to recover the corridor oil between two rows of producers as shown on the attached map as the flood front passes through these wells.

During our discussions on West Butler, Mr. Roper expressed some concern regarding our application for temporary suspension of water injection for reasons stated in the application. We did not foresee any difficulty arising since this is considered to be a normal procedure in Alberta as evidenced by the attached copies of correspondence with the Alberta Energy Resources Conservation Board. We trust the matter has been clarified and that our application will be processed in due course.

In regard to other matters discussed, we wish to advise that a joint submission will be made by the CPA regarding the definition of "old" and "new" oil. With respect to the subject of deep rights, the matter is currently under consideration and we will be advising you of our position in the near future.

Yours very truly,

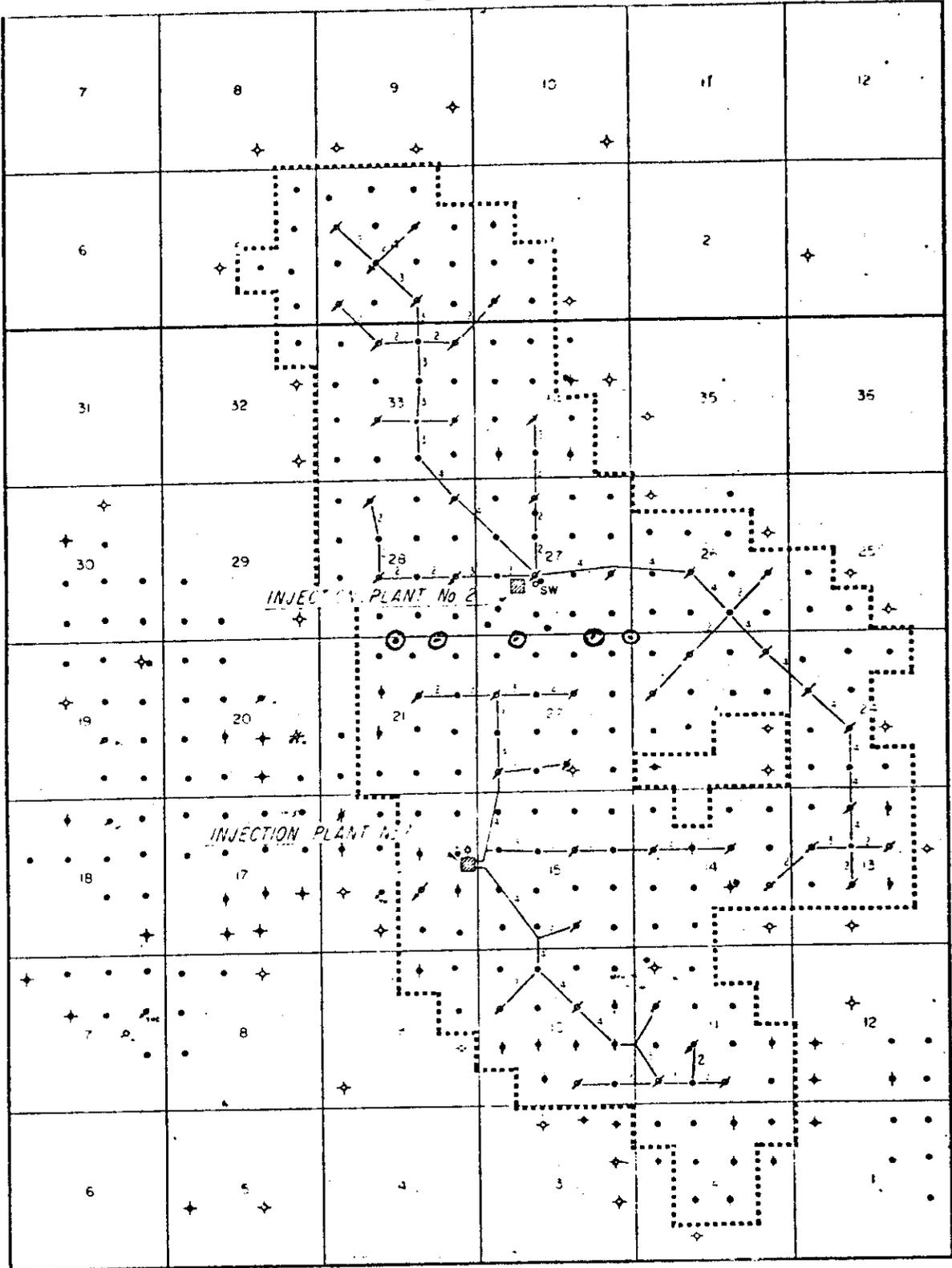


J. Zedde
J. ZEDDE

cc: J. S. Roper
/ie 76 09 02

Attachments

xcc — West Butler Unit File ←
— North Virden Scallion Unit File



© PROPOSED DRILLING PROGRAM - 1977

LEGEND

- UNIT BOUNDARY
- ∇ INJECTION WELL
- ⋄ SUSPENDED WELL
- ✦ ABANDONED WELL
- INJECTION LINE
- _{SW} DEVONIAN WATER SUPPLY WELL

FIGURE 1

NORTH VIRDEN SCALLION UNIT No 1
AS OF DECEMBER 31, 1975

SCALE IN MILES



THE PROVINCE OF ALBERTA
THE OIL AND GAS CONSERVATION ACT
ENERGY RESOURCES CONSERVATION BOARD

IN THE MATTER of a scheme
of Chevron Standard Limited
for enhanced recovery of
oil by water injection
into the Zama Keg River
G Pool

AMENDMENT OF APPROVAL NO. 1297A

(Amending Approval No. 1297)

The Energy Resources Conservation Board, pursuant to The Oil and Gas Conservation Act, being chapter 267 of the Revised Statutes of Alberta, 1970, hereby orders as follows:

1. Board Approval No. 1297 is amended.
2. The following clause is added after clause 9:

10. This approval shall have no force or effect for a two-year period commencing July 1, 1976.

MADE at the City of Calgary, in the Province of Alberta, this 25th day of June, 1976.

ENERGY RESOURCES CONSERVATION BOARD

D. R. Craig
Vice Chairman

ENERGY RESOURCES CONSERVATION BOARD

RECEIVED
JUL 7 1976
T. I. S.

603 SIXTH AVENUE S.W. CALGARY, ALBERTA, CANADA T2P 0T1

R. CRAIG, VICE CHAIRMAN
V. MILLARD, VICE CHAIRMAN
N. BERKOWITZ, BOARD MEMBER
G. J. DESORCY, BOARD MEMBER

TELEPHONE (403) 261-8311

TELEX 03-821717

June 18, 1976

Chevron Standard Limited
400 5 Avenue S.W.
Calgary, Alberta
T2P 0L7

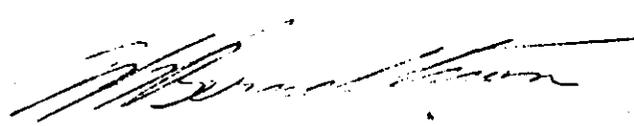
Dear Mr. Johnson:

APPLICATION NO. 9311
ZAMA KEG RIVER G POOL
APPROVAL NO. 1297

The Board has considered your application dated April 30, 1976 requesting permission to suspend the terms of Approval No. 1297 for a period of two years. Your application has been granted and Amendment of Approval No. 1297A for this purpose is enclosed.

The Board understands that Chevron plans to recompleate the well at a higher interval in an attempt to alleviate the water oil ratio problem. If successful, cyclic water injection may then be re-initiated. Chevron is requested to submit to the Board the results and analysis of any attempts to recompleate the well and shut off water production and subsequent plans for future pressure maintenance. A reply to this matter by March 15, 1977 would be appreciated.

Yours truly



N. G. Berndtsson, P. Eng.
Assistant Manager
Projects

PMS/GD/jg

Enclosure

April 30, 1976

Zama Keg River G Pool - Project No. 1
Approval No. 1297.

Energy Resources Conservation Board
603 Sixth Avenue S.W.
Calgary, Alberta
T2P 0T4

Attention: Mr. N. G. Berndtsson

Gentlemen:

Chevron Standard Limited, as operator of the Zama Keg River G pool, requests that waterflood approval No. 1297 be suspended for a two-year period.

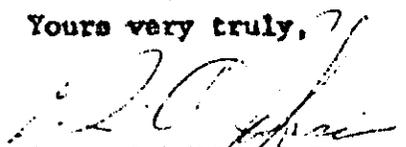
This single-well cyclic injection scheme has not operated as predicted due to excessive production of injected water following the two injection cycles. It was the operator's intention to recomplate the well to allow continuous injection and production. This was delayed through the unavailability of the proper downhole equipment. The water cut has risen from ten percent to fifty percent during the past year, although no water has been injected since 1972. The base of the producing perforations is approximately 55 feet above the original oil-water interface.

Chevron does not feel it prudent to continue with water injection into the aquifer until it is demonstrated that an effective water shut-off can be realized and the well successfully recompleted within the Keg River. At that time, a further attempt will be undertaken to cyclically waterflood this pool. It is estimated that two years will be required to assess the results of the recompletion and formulate plans for additional water injection.

Recovery to date amounts to 20 percent of the original oil-in-place. The gas-oil ratio has remained constant at the solution level. The bottom-hole pressure has also remained relatively static over the past two years, indicating natural water influx.

Enquiries concerning this correspondence can be directed to the undersigned.

Yours very truly,


G. A. JOHNSON, P.Eng.
Assistant Chief Engineer

GAJ/rjc

cc: Amoco Canada Petroleum Company Ltd.
Hamilton Brothers Canadian Gas Company Ltd.
bcc: Mr. L. D. Brown, Edmonton



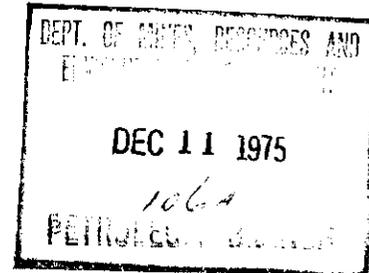
Chevron Standard Limited
400 - Fifth Avenue S.W., Calgary, Alberta T2P 0L7

2/10 ✓
1/7 ✓
B.F. - 11/11/76 ✓
West Butler Unit No. 1 Waterflood

December 8, 1975

West Butler Unit No. 1 Waterflood

Mr. H. C. Moster, P.Eng.
Director, Petroleum Branch
Department of Mines, Resources
and Environmental Management
Province of Manitoba
993 Century Street
Winnipeg, Manitoba
R3H 0W4



Dear Sir:

Please refer to our letter of May 29, 1975 and your reply, dated October 17, 1975 on the subject of suspension of waterflood operations in the West Butler Unit No. 1. Because of the mail strike, your letter did not reach me until last week.

We did not write to you sooner on this subject because it was our plan to discuss the matter at an informal meeting with the Department in Virden, Manitoba, on October 29, 1975. I understand that the problem was indeed reviewed at that discussion and that our tentative plans were made known at that time.

For the record, we are currently engaged in a comprehensive review of all factors affecting possible expansion of the waterfloods in both Daly and West Butler and have set a target of the first quarter, 1976 to discuss the results of these two studies with the Manitoba government.

We hope the foregoing satisfactorily explains our current position and we will be in touch in the new year to arrange a meeting.

Yours very truly,

L. C. ZERB, P.Eng.
Supervising Engineer
Regulations and Environment

LCZ/rjc

October 17, 1975

Chevron Standard Limited
200 - 5th Avenue S. W.
Calgary, Alberta
T2P 0L7

Attention: Mr. L.C. Zerr, P. Eng.,
Supervising Engineer,
Regulations and Environment.

Dear Sir:

Re: West Butler Unit No. 1

Further to Chevron's applications to suspend operations on the wells in 7-31-9-29, 16-30-9-29 and 8-31-9-29 all in West Butler Unit No. 1, we advise that this Branch has received no further information in this regard since your letter of May 29, 1975.

As approximately two months have passed since the Manitoba government's royalty and tax rates were announced, please submit to this office prior to November 15, 1975 a formalized application stating Unit Operator's intentions with regard to the water flood operation in this Unit as requested in our letter of October 30, 1974. Such application should be accompanied by supporting data.

Yours sincerely,

Original Signed by H. C. Moster

H. C. Moster, P. Eng.,
Director, Petroleum Branch.

HCM/et
c.c. The Oil & Natural Gas Conservation Board.
b.c.c. S. Elsayed
Virden Office

WEST BUTLER UNIT NO.1
SCHEDULE "A"

WEST BUTLER UNIT NO. 1
SCHEDULE "B"

The Manitoba Gazette,
Dated 20.1.73.

Shell Canada Limited vs Russell Frank, 12-3483 Portage Avenue, Winnipeg, Manitoba, R3K 0X2	Manitoba Gazette Unsatisfied Executions in my hands	1.00 Nil
Amount realized under Writ of Execution	Winnipeg, January 11th, 1973.	
Bailiff's Fees and Disbursements	394-3	County Court of Winnipeg.
		GEORGE DAWSON, Bailiff,

UNDER THE MINES ACT

WEST BUTLER UNIT No. 1 SCHEDULE "A"			2-31	Chevron Standard Limited	100%
TRACT NUMBERS AND THE PRIMA FACIE WORKING INTEREST OWNERS OF THE TRACTS IN THE WEST BUTLER UNIT No. 1			8-31	Chevron Standard Limited	100%
Tract No.	Working Interest Owner	Percentage Working Interest Ownership	WEST BUTLER UNIT No. 1 SCHEDULE "B"		
13-29	Chevron Standard Limited	100%	PRIMA FACIE WORKING INTEREST OWNERS AND THEIR PARTICIPATING INTEREST IN THE WEST BUTLER UNIT No. 1		
16-30	Chevron Standard Limited	100%	Working Interest Owner	Chevron Standard Limited	Participating Interest 100%
1-31	Chevron Standard Limited	100%	285-3		

UNDER THE LIQUOR CONTROL ACT

Pizza Place
Pembina Hwy. and Killarney Ave.
Winnipeg, Manitoba

Take notice that an application has been made by the undersigned Specialty Foods Ltd. of the City of Winnipeg, in the Province of Manitoba, to The Liquor Control Commission for a Restaurant Beer and Wine licence for the premises described, as follows:

Lot Two in Block One, which lot is shown on a plan of survey of part of River Lot One Hundred and Fifteen of the Parish of Saint Norbert, in Manitoba, registered in the Winnipeg Land Titles Office as No. 1684, excepting thereout all that portion thereof taken for Killarney Avenue as same is shown on a plan registered in the said Office as No. 9606; better known as the Pizza Place, situated at Pembina Highway and Killarney Avenue, Winnipeg, in the Province of Manitoba, and further take notice that objections to this application should be made forthwith to The Liquor Control Commission, 1555 Buffa-

lo Place, Fort Garry, Winnipeg 19. An objector shall state the reasons for his objections.

Section 81, sub-section (1) of "The Liquor Control Act", provides as follows:

"Any person may, within fourteen days after the date of the last issue of The Manitoba Gazette or a newspaper containing any such notice of application, file with the Commission any objection or protest he may wish to make against the issuing of the licence; and the Commission shall consider the objection or protest and may fix a convenient time and place at which the Licensing Board will hear evidence with regard to the application and the objections thereto; and all persons who file objections and the municipality wherein the premises are situated shall be given notice by the Commission of the hearing and of the time and place so fixed."

SPECIALTY FOODS LTD.,
C. S. SKAGFELD, President,
G. F. STEVENS, Secretary.

This is the first publication.
255- 3, 4

UNDER THE GARAGE KEEPER'S ACT

Notice is hereby given that to satisfy a towing and storage bill, there will be offered for sale by Public Auction at 1088 McDermot, Winnipeg, Manitoba, on Saturday, February 3, 1973 at 10:30 a.m. the following vehicles. Rightful owners unknown.

1964 Vauxhall -- 4062099
1963 Ford Sedan -- 608383654E63L
1965 Epic -- HAH05171793
1969 Cougar -- 0P9H500834
1963 Pontiac -- 3783906989

- 1960 Meteor -- 174770-558E60
- 1955 Pontiac -- 52037903153
- 1963 Pontiac -- 3783905360
- 1963 Corvair -- 396904565
- 1961 Pontiac -- 1716901430
- 1929 Ford Model T Truck -- No serial number
- 1964 Plymouth -- 3349124750
- 1965 Dodge -- D3C59103217
- 1963 Thunderbird -- 3Y852124056
- 1964 Buick -- 44639060661
- 1967 Beaumont -- 7366771105988

1956 Austin H56-LHC11412C
Steiman Brothers will act as auc-
tioneers.

Dated at Winnipeg, in Manitoba, this
11th day of January, 1973.

Re: BARRY BALL,
ADAMS & BARRY'S TOWING
SERVICES LTD.

287-3

Notice is hereby given We will sell by
Public Auction at 1049 Mission St., St.
Boniface, on Monday, January 29, 10:00
a.m.:

1 Piggie 10 8 Scooter, Serial No.
B4M0121365

1 Doon Buggy, 61 Volkswagen, no
Serial No.

392-3

Auctioneer,
DENNIS MORROW,
MORDYCK AUCTIONS,
849 Marion St.,
Winnipeg, Man.

*FSG: For your info
Haven't had a chance to read yet
Hansen*

COPY

REC-213
JAN 11 1973
436D

R3C 0V8

January 11, 1973.

Mr. E. H. Gaudet,
Chairman,
West Butler Unit No. 1
Legal Committee,
Chevron Standard Limited,
400 Fifth Avenue S.W.,
Calgary 1, Alberta.

Dear Mr. Gaudet:

Re: West Butler Unit No. 1

This will acknowledge receipt of Schedules "A" and
"B" for the West Butler Unit No. 1 forwarded with your letter,
of January 8, 1973.

Yours sincerely,

M. J. Gobert,
Senior Assistant Deputy Minister.

MJG/as

cc: Mr. Jas. T. Cavley
✓ Mr. J. S. Roper



Chevron Standard Limited
400 Fifth Avenue S.W., Calgary 1, Alberta

JAN 11 1973
436 D

January 8, 1973

West Butler Unit No. 1

The Minister of Mines, Resources
and Environmental Management,
Legislative Buildings,
Winnipeg 1, Manitoba.

Dear Sir:

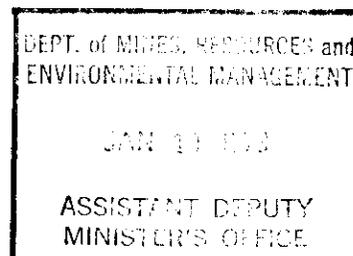
We enclose two (2) copies of Schedules "A" and "B" for the West Butler Unit No. 1 for your information. If you require further copies please let us know.

Yours very truly,


E. H. GAUDET, Chairman,
West Butler Unit No. 1
Legal Committee.

/ps
Encls.

cc: Mr. Jas. T. Cawley, Chairman,
The Oil and Natural Gas Conservation Board.



WEST BUTLER UNIT NO. 1

SCHEDULE "A"

Depart
and
JAN 12 1973
HH32

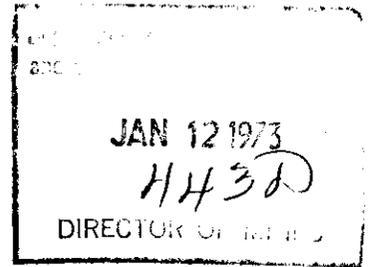
TRACT NUMBERS AND THE PRIMA FACIE WORKING INTEREST
OWNERS OF THE TRACTS IN THE
WEST BUTLER UNIT NO. 1

<u>TRACT NO.</u>	<u>WORKING INTEREST OWNER</u>	<u>PERCENTAGE WORKING INTEREST OWNERSHIP</u>
13-29	Chevron Standard Limited	100%
16-30	Chevron Standard Limited	100%
1-31	Chevron Standard Limited	100%
2-31	Chevron Standard Limited	100%
8-31	Chevron Standard Limited	100%

WEST BUTLER UNIT NO. 1

SCHEDULE "B"

PRIMA FACIE WORKING INTEREST OWNERS AND THEIR
PARTICIPATING INTEREST IN THE
WEST BUTLER UNIT NO. 1



WORKING INTEREST OWNER

PARTICIPATING INTEREST

Chevron Standard Limited

100%



Chevron Standard Limited
400 Fifth Avenue S.W., Calgary 1, Alberta

JAN 11 1973
H 36 D

January 8, 1973

West Butler Unit No. 1

Mr. Jas. T. Cawley, Chairman,
The Oil and Natural Gas Conservation
Board,
Province of Manitoba,
Room 310 Legislative Building,
Winnipeg, Manitoba.
R3C 6V8

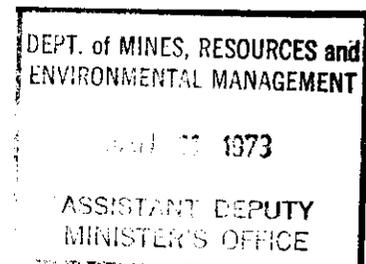
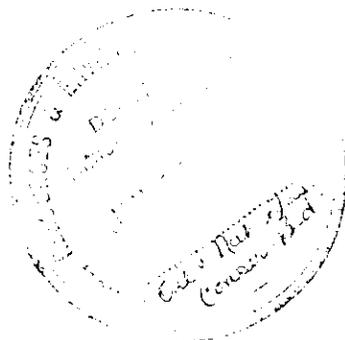
Dear Sir:

We enclose a copy of our letter of even date to the Minister and four (4) copies of Schedules "A" and "B" for the West Butler Unit No. 1. We have sent copies of the Schedules to the Manitoba Gazette for publication in accordance with the terms of the Plan. If you require further copies of these Schedules please let us know.

Yours very truly,

E. H. GAUDET, Chairman,
West Butler Unit No. 1
Legal Committee.

/ps
Encls.



Chevron Standard Limited
400 - Fifth Ave. S.W., Calgary, Alberta T2P 0L7

January 8, 1973

West Butler Unit No. 1

The Minister of Mines, Resources
and Environmental Management,
Legislative Buildings,
Winnipeg 1, Manitoba.

Dear Sir:

We enclose two (2) copies of Schedules "A" and "B" for the West Butler Unit No. 1 for your information. If you require further copies please let us know.

Yours very truly,

ORIGINAL SIGNED BY
E. H. GAUDET

E. H. GAUDET, Chairman,
West Butler Unit No. 1
Legal Committee.

/ps
Encls.

cc: Mr. Jas. T. Cawley, Chairman,
The Oil and Natural Gas Conservation Board.

WEST BUTLER UNIT NO. 1

SCHEDULE "A"

TRACT NUMBERS AND THE PRIMA FACIE WORKING INTEREST
OWNERS OF THE TRACTS IN THE
WEST BUTLER UNIT NO. 1

<u>TRACT NO.</u>	<u>WORKING INTEREST OWNER</u>	<u>PERCENTAGE WORKING INTEREST OWNERSHIP</u>
13-29	Chevron Standard Limited	100%
16-30	Chevron Standard Limited	100%
1-31	Chevron Standard Limited	100%
2-31	Chevron Standard Limited	100%
8-31	Chevron Standard Limited	100%

WEST BUTLER UNIT NO. 1

SCHEDULE "B"

PRIMA FACIE WORKING INTEREST OWNERS AND THEIR
PARTICIPATING INTEREST IN THE
WEST BUTLER UNIT NO. 1

WORKING INTEREST OWNER

PARTICIPATING INTEREST

Chevron Standard Limited

100%



Chevron Standard Limited
 400 - Fifth Ave. S.W., Calgary, Alberta T2P 0L7

December 8, 1972

Department of Mines, Resources
 and Environmental Management
 DEC 11 1972
 255D
 DIRECTOR OF MINES

FSG

The Oil and Natural Gas Conservation Board
 Department of Mines and Natural Resources
 Province of Manitoba
 901 Norquay Building
 401 York Avenue
 Winnipeg, Manitoba

Attention: Mr. J. S. Roper

Gentlemen:

Please be advised that Chevron Standard Limited hereby designates the following representative and alternate representative to the Operating Committee for West Butler Unit No. 1:

Representative	Mr. L. D. Brown Box 100 Virden, Manitoba ROM 2C0
----------------	---

Alternate	Mr. S. N. Borowski 400 Fifth Avenue S.W. Calgary, Alberta T2P 0L7
-----------	--

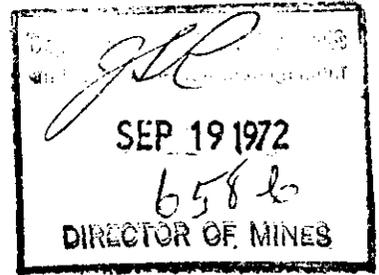
In accordance with Section 5.03 (c) of the "Plan" governing the subject Unit, Chevron Standard Limited is appointed the Unit Operator for West Butler Unit No. 1. As the representative of Chevron Standard Limited, the sole Working Interest Owner in the subject Unit, Mr. L. D. Brown shall act as Chairman of the Operating Committee.

Yours very truly,

John D. Scott
 for L. D. BROWN, Chairman pro tem
 West Butler Unit No. 1
 Operating Committee

JDSScott/lc

COPY



R3C 0V8

September 18, 1972.

Mr. A. S. McCrae,
 Chevron Standard Limited,
 400 Fifth Avenue, S.W.,
 Calgary 1, Alberta.

F56

Dear Mr. McCrae:

Re: Purchase No. 7
 Sale No. 69
 Lease No. 2389
 E $\frac{1}{2}$ & SW $\frac{1}{4}$ 29, S $\frac{1}{2}$ & NW $\frac{1}{4}$ 30,
All 32-9-29, WPM

Your letter of September 13th, 1972 addressed to Mr. R. A. Wallace is acknowledged.

Yours sincerely,

M. J. Cobert,
 Senior Assistant Deputy Minister.

x. c. on: West Butler Unit No. 1.

MJC/gls

c.c. Mr. J. S. Roper ✓



CHEVRON STANDARD LIMITED

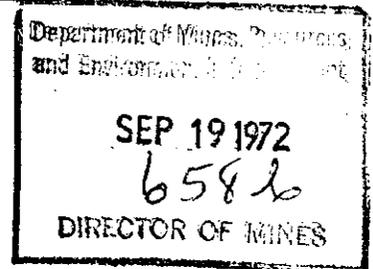
400 FIFTH AVENUE S.W., CALGARY 1, ALBERTA

September 13, 1972

J. L. LABEL
VICE-PRESIDENT

Purchase No. 7
Sale No. 69
Lease No. 2389
E $\frac{1}{2}$ & SW $\frac{1}{4}$ 29, S $\frac{1}{2}$ & NW $\frac{1}{4}$ 30,
All 32-9-29, WPM

Mr. R. A. Wallace
Deputy Minister
Mines, Resources and Environmental
Management
Winnipeg, Manitoba
R3C 0V8



Dear Sir:

We have for reference your letter of June 12th in which you advised that with respect to the above referenced lease your Department is prepared to accept as development work the implementation of a scheme for the secondary recovery of oil in the proposed West Butler Unit No. 1, in lieu of drilling a well into the Mississippian formation; provided that the proposed West Butler Unit No. 1 and application for implementation of secondary recovery is approved by The Oil and Natural Gas Conservation Board and the said unit becomes effective prior to September 27, 1972.

Please be advised that The Oil and Natural Gas Conservation Board approved the unitization and secondary recovery proposal and the unit became effective 7:00 a.m. official time on September 1, 1972 so that the condition of your letter and the Sale Notice with respect to these lands would appear to have been satisfied.

Yours very truly,

A. S. McCrae
A. S. McCRAE

ASMCC/em

x. c. on: West Butler Unit No. 1.



R3C OP8

September 7, 1972

Chevron Standard Limited,
Box 100,
Virden, Manitoba.

Attention: Mr. L. D. Brown
Area Supervisor

Re: Pipeline crossing of road allowance
North of Section 30-9-23

Dear Sir:

Enclosed herewith please find:

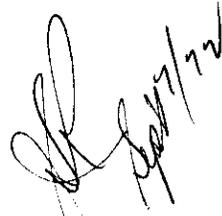
1. Order of the Minister under Section 23.
2. Copy of letter from Mr. J. W. E. Brako, Deputy Minister of Highways.
3. One approved copy of Plan for the above pipeline crossing.

A copy of this letter and plan is being forwarded to Mr. S. Kavanagh, District Engineer, Brandon, Manitoba.

Yours very truly,

F. S. Ganey,
Reservoir Engineer.

h



INTER-DEPARTMENTAL MEMORANDUM

DATE SEPTEMBER 1, 1972

J. S. ROPER
Director of Mines

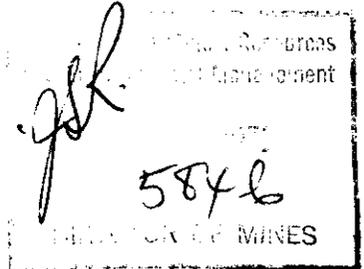


TO M. J. GOBERT
Senior Assistant Deputy Minister

SUBJECT APPLICATION FOR EXEMPTION UNDER SECTION 23 OF THE PIPE LINE ACT

CHEVRON STANDARD LIMITED

LOCATION: Lsd. 16 - Sec. 30 - Twp. 9 - Rge. 29 WPM
to
Lsd. 8 - Sec. 31 - Twp. 9 - Rge. 29 WPM

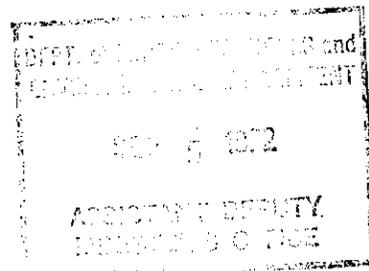


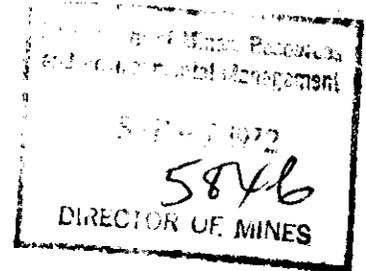
Chevron Standard Limited has applied for exemption under Section 23 of The Pipe Line Act, for the construction of a salt water pipe line in the West Butler Unit No. 1.

Three copies of the survey plan showing the pipe line right-of-way and pipe specifications have been received.

Affidavit of right-of-user covering the lands traversed by the pipe line has been filed with this office.

The plans showing the road crossing between the NE/4 of Section 30 and the SE/4 of Section 31 - Township 9 - Range 29 WPM have been approved by the Highways Department.





THE PIPE LINE ACT

(Revised Statutes of Manitoba, Chapter P70)

ORDER OF THE MINISTER UNDER SECTION 23

WHEREAS, Section 5 of The Pipe Line Act, Revised Statutes of Manitoba, Chapter P70, provides as follows:

"5. Except as otherwise provided in this Act, no person shall begin the construction of a pipe line, or any section thereof, unless the minister has granted a construction permit as hereinafter provided, authorizing the construction.";

AND WHEREAS, Section 23 of the said Act provides as follows:

"23 (1) The minister may make an order exempting a pipe line or parts of a pipe line, not exceeding in any one case five miles in length, from any or all of the provisions of this Act other than section 13, subsection (5) of section 16, and sections 26 and 27."

(2) In any order made under this section the minister may impose such terms and conditions as he may deem advisable.";

AND WHEREAS, Chevron Standard Limited has made application to have a salt water pipe line to be located in the NE/4 of Sec. 30-9-29 and the SE/4 of Sec. 31-9-29, West of the Principal Meridian, for the purpose of transporting salt water, made exempt from certain provisions of the Act;

AND WHEREAS, the said pipe line does not exceed five miles in length, as provided by Section 23 of the said Act;

2 - Order of the Minister under Section 23

AND WHEREAS, Chevron Standard Limited has complied with the provisions governing exemption under the said Section, and the application by Chevron Standard Limited is considered in other respects to be reasonable.

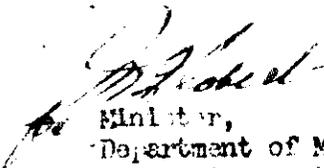
NOW, THEREFORE, I, the Minister of Mines, Resources and Environmental Management, order:

That the pipe line to be constructed by Chevron Standard Limited and to be located in the NE¹/₄ of Sec. 30-9-29 and the SE¹/₄ of Sec. 31-9-29, East of the Principal Meridian, for the purpose of transporting salt water, be exempt from provisions of Section 5, Section 9, Section 10, Section 11, and subsection (5) thereof, and all of Part 111 of The Pipe Line Act.

This section is subject to the following conditions:

1. That Chevron Standard Limited, or its successor, in respect of the construction or operation of the above mentioned pipe line conform with all the provisions of the Act, except those from which the pipe line is specifically exempted, although a construction permit or operating licence has been issued in respect of the pipe line.
2. That Chevron Standard Limited, or its successor, in respect of the construction of the above mentioned pipe line, take every reasonable measure to ensure that the top soil is separately removed and accurately replaced in its original position insofar as it is reasonably practicable so to do.

DATED at Winnipeg, Manitoba, this 6th day of September 1972.


Minister,
Department of Mines, Resources
and Environmental Management.

R3C OP8

August 25, 1972

Mr. Lindsay Brown, Area Supervisor
Chevron Standard Limited
Box 100
Virden, Manitoba
ROM 2C0

Dear Mr. Brown:

Re: West Butler Unit No. 1

In accordance with Section 5.03 of the "Plan" governing the above Unit, the Board has selected you to act as Chairman pro tem of the organization meeting of the Operating Committee.

- Yours very truly,

J. S. Roper
Deputy Chairman

FSG/h

cc: Mr. J. G. Trowell
Chevron Standard Limited
400 Fifth Avenue S.W.
Calgary 1, Alberta

p. c. to: Mr. J. S. Roper.

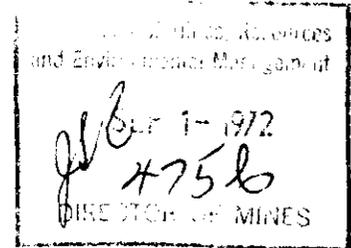


MANITOBA

DEPUTY MINISTER OF HIGHWAYS

WINNIPEG

August 22, 1972



F56

Mr. J.S. Koper
Director of Mines &
Environmental Management
Room 901
Norquay Building
Winnipeg, Manitoba R3C 0P8

Dear Sir:

Re: Chevron Standard Limited proposed
Pipeline Crossing of Road Allowance
North of Section 30-9-28W, in the
R.M. of Pipestone.

I wish to acknowledge your letter of August 21, 1972 concerning the application of Chevron Standard Limited to construct a Pipeline crossing at the above-noted road allowance. Received with the application were prints of a Plan prepared by Mr. J.H. Lennon, M.L.S.

This Department is prepared to permit the installation of this Pipeline crossing a minimum of 5 feet below existing prairie level and 2.5 feet below existing road ditches, and further, that the Pipeline be placed a minimum depth of 5 feet below prairie level for a distance of at least one hundred (100) feet beyond the outer limits of the road allowance right-of-way.

The liability of Chevron Standard Limited in the protection of this Department and the Municipality of Pipestone from any circumstances arising from the installation of this Pipeline crossing will be as provided by the Pipeline Act.

We would ask that a copy of the Plan be forwarded to Mr. S. Kavanagh, District Engineer at Box 817, Brandon, Manitoba, R7A 2Z6.

Two prints of the Plan are returned herewith, duly signed.

Yours very truly,

J.W.E. Brako
Deputy Minister of Highways

August 21, 1972

S. Roper
Director of Mines

J. W. E. Brako
Deputy Minister
Highways Branch

Re: Chevron Standard Limited - Road Allowance Crossing

NE $\frac{1}{4}$ Sec 30-9-29 WPM to SE $\frac{1}{4}$ Sec 31-9-29 WPM

Chevron Standard Limited has made application to construct a salt water injection pipe line which will cross the road allowance between the above sections.

Attached are 3 copies of plan of survey showing the location of the line together with a copy of the application.

If these plans are in accordance with Highway requirements, kindly approve 2 copies to this office.

J. S. Roper
Director of Mines

FSG/evh
Enclosures



CHEVRON STANDARD LIMITED

Box 100
VIRDEN, Manitoba
ROM 2C0
August 16, 1972

File: 716.3

F.S.G.

Mr. J. S. Roper
Director of Mines
Room 901 Norquay Building
401 York Avenue
WINNIPEG 1, Manitoba

Department of Mines, Resources
and Environmental Management
AUG 18 1972
475 b.
DIRECTOR OF MINES

Dear Sir:

Re: West Butler Unit No. 1 Salt Water Injection Line
Installation

Chevron Standard Limited proposes the construction of a salt water injection line from the North East quarter of Sec. 30-9-29 WPM to the South East quarter of Sec. 31-9-29 WPM as shown on the attached plan. This proposed line will consist of approximately twenty-seven hundred (2700') of 2 3/8" O.D. cement lined yellow jacket steel pipe tested to 1800 psi which will convey source well salt water from the water injection plant at Lsd. 1-31-9-29 WPM to the water injection well at Lsd. 8-31-9-29 WPM and 16-30-9-29 WPM.

BF 30/12
S.H. 8/72
BF 15/72
[Handwritten signatures and initials]

We believe that this line comes within the definition of a pipeline as defined by Section 2(h) of "The Pipeline Act" being Chapter 26 Statutes of Manitoba 1954 and would ordinarily be subject to all provisions contained therein. We hereby apply pursuant to the provisions of Section 23 of the said Act, for an order exempting this injection line from the provisions of "The Pipeline Act".

Affidavit of Right of User covering lands traversed by this line is enclosed.

We trust that this is satisfactory and your approval will be received.

Yours truly,


L. D. BROWN, P. Eng.
Area Supervisor

BH/jl

Attached

cc J. Barton
J. Hawkins

C A N A D A

DOC. NO. 12474

PROVINCE OF ALBERTA

TO WIT

AUG 18 1972
DIRECTOR OF MINES

I, Thomas Mackenzie Dougall, of the City of Calgary, Manager, Land Administration, of Chevron Standard Limited, hereby make oath and say:

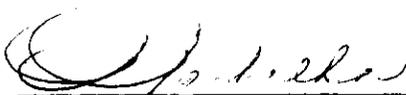
1. That Chevron Standard Limited is the operator of proposed West Butler Unit #1.
2. That the water injection line from the 1-31-9-29W1M Battery to the 8-31-9-29W1M well and to the 16-30-9-29W1M well traverses the following lands:
SE $\frac{1}{4}$ Sec. 31-9-29W1M
NE $\frac{1}{4}$ Sec. 30-9-29W1M
3. That Chevron Standard Limited holds right-of-way agreements on the aforesaid lands under which it has the right to construct the said water lines.

SWORN BEFORE ME AT THE CITY OF
CALGARY, IN THE PROVINCE OF ALBERTA,

this 11 day of July

A.D. 1972


THOMAS MACKENZIE DOUGALL


A Notary Public in and for the Province
of Alberta

AND WHEREAS, Section 77 of "The Mines Act", as enacted by Chapter M160 of the Revised Statutes of Manitoba, 1970, provides as follows:

"77. The board shall not make an order under subsection (3) of section 76 unless

(a) the working interest owners of over seventy-five per centum of the area of the proposed unit area have agreed in writing to the proposed plan of unit operation, or, if one working interest owner is the working interest owner of seventy-five per centum or more, but less than one hundred per centum, of the area of the proposed unit area, that working interest owner and at least one other working interest owner of a tract in the proposed unit area, have agreed in writing to the proposed plan of unit operation; and

(b) the royalty owners having seventy-five per centum of the royalty interests of the head lessors in the oil and gas produced from the unit area have agreed in writing to the proposed plan of unit operation, or, if one royalty owner has seventy-five per centum or more of the royalty interests of the head lessors in the oil and gas produced from the unit area but does not have all such royalty interests, that royalty owner and at least one other royalty owner having such royalty interests, have agreed in writing to the proposed plan of unit operation.";

AND WHEREAS, The Oil and Natural Gas Conservation Board received an application from Chevron Standard Limited, on behalf of itself in the West Butler Field in Manitoba, requesting the Board to hold a Hearing to consider the advisability or necessity for the operation of a certain part of the West Butler Field in Manitoba as a unit, and to consider a proposed plan of unit operation of the proposed unit area;

AND WHEREAS, the Board, pursuant to Section 76 of "The Mines Act", held a public Hearing on June 21st, 1972, for the purpose of considering a Plan for Unit Operation Governing the Unitized Management Operation and Further Development of West Butler Unit No. 1;

AND WHEREAS, upon due consideration of the submissions and testimony at the Hearing, the Board has found:

(a) That the operation of a certain part of the West Butler Field in Manitoba, as more particularly delineated in the Plan for Unit Operation Governing the Unitized Management Operation and Further Development of West Butler Unit No. 1, dated May 15, 1972, is reasonably necessary to prevent waste, and to increase substantially the recovery of oil;

- (b) That the value of the estimated additional recovery of oil and gas resulting from such operation will exceed the estimated additional cost incidental to the conduct of such operation;
- (c) That such operation will result in general advantage to the owners of oil and gas rights within the proposed unit area;
- (d) That the provisions of Section 77 of "The Mines Act" have been complied with;

AND WHEREAS, subsections (1) and (3) of Section 4 of "The Regulations Act", being Chapter R60 of the Revised Statutes of Manitoba, 1970, provide as follows:

"4(1) Subject to subsections (2) and (3), the registrar shall, within one month of the filing thereof, publish every regulation in The Manitoba Gazette,

4(3) Where a regulation, in the opinion of the Lieutenant Governor in Council,

(a) is of such length as to render publication thereof in The Manitoba Gazette unnecessary or undesirable; and

(b) is or will be available to all persons who are likely to be interested therein;

the Lieutenant Governor in Council, by order in council, may dispense with the publication thereof; and the regulation, upon registration thereof, is as valid against all persons as if it had been published.";

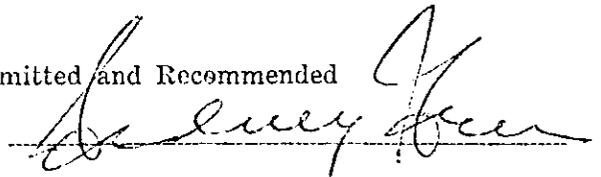
AND WHEREAS, on the 12th day of July, 1972, The Oil and Natural Gas Conservation Board made Unitization Order No. 14, as set out in the Schedule attached hereto;

AND WHEREAS, it is deemed necessary and expedient that the said Order be approved, and that the publication of the Plan, referred to in the said Unitization Order, in The Manitoba Gazette be dispensed with.

THEREFORE he, the Minister, recommends:

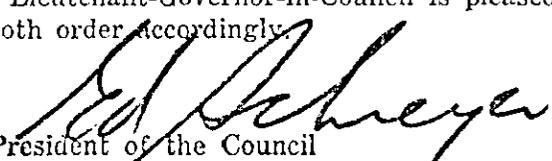
1. THAT Unitization Order No. 14 and Plan attached thereto, made by The Oil and Natural Gas Conservation Board on the 12th day of July, 1972, be approved.
2. THAT publication of the Plan, attached to the said Unitization Order No. 14, in The Manitoba Gazette be dispensed with.

Submitted and Recommended



Minister of Mines, Resources and Environmental Management.


Upon consideration of the foregoing report and recommendation Council advises that it be done as recommended by the Honourable the Minister of Mines, Resources and Environmental Management; and His Honour the Lieutenant-Governor-in-Council is pleased to approve the said report and recommendation and doth order accordingly.


President of the Council

or

Presiding Member of the Executive Council.

Department of Mines, Resources
and Environmental Management
JUL 13 1972
DIRECTOR OF MINES

This is the ^{order} Schedule " " referred to in
Order-in-Council No. 738/72
Derek Bedson
Clerk of the Executive Council

THE OIL AND NATURAL GAS CONSERVATION BOARD

UNITIZATION ORDER NO. 14

Pertaining to the Unitized Management Operation and Further
Development of West Butler Unit No. 1.

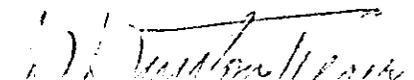
Made and passed pursuant to "The Mines Act", Cap. M160, R. S. M.,
1970, and amendments thereto, by The Oil and Natural Gas Conserva-
tion Board of Manitoba.

1. Effective at the hour of seven o'clock in the forenoon, official
time, on the first day of September, 1972, a certain part of the
West Butler Field, to be known as the Unit Area, shall be operated
as a unit in accordance with the Plan for Unit Operation Governing
the Unitized Management Operation and Further Development of West
Butler Unit No. 1, dated May 15, 1972, and shall be known as the
West Butler Unit No. 1.
2. Parts XXIII, XXIV, and XXV, being excerpts from the Plan, and
attached hereto, shall be published in The Manitoba Gazette.

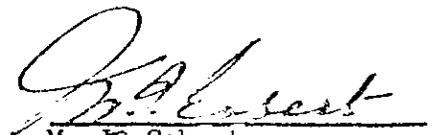
Oil and Natural Gas Unitization Order No. 14,
made and passed this 12th day of July,
A. D., 1972, at the City of Winnipeg, in
the Province of Manitoba, by The Oil and
Natural Gas Conservation Board.

Approved:


Leonard S. Evans,
Acting Minister of Mines,
Resources and Environmental
Management.


W. Winston Mair,
Chairman,
The Oil and Natural Gas
Conservation Board.


J. S. Roper,
Deputy Chairman,
The Oil and Natural Gas
Conservation Board.

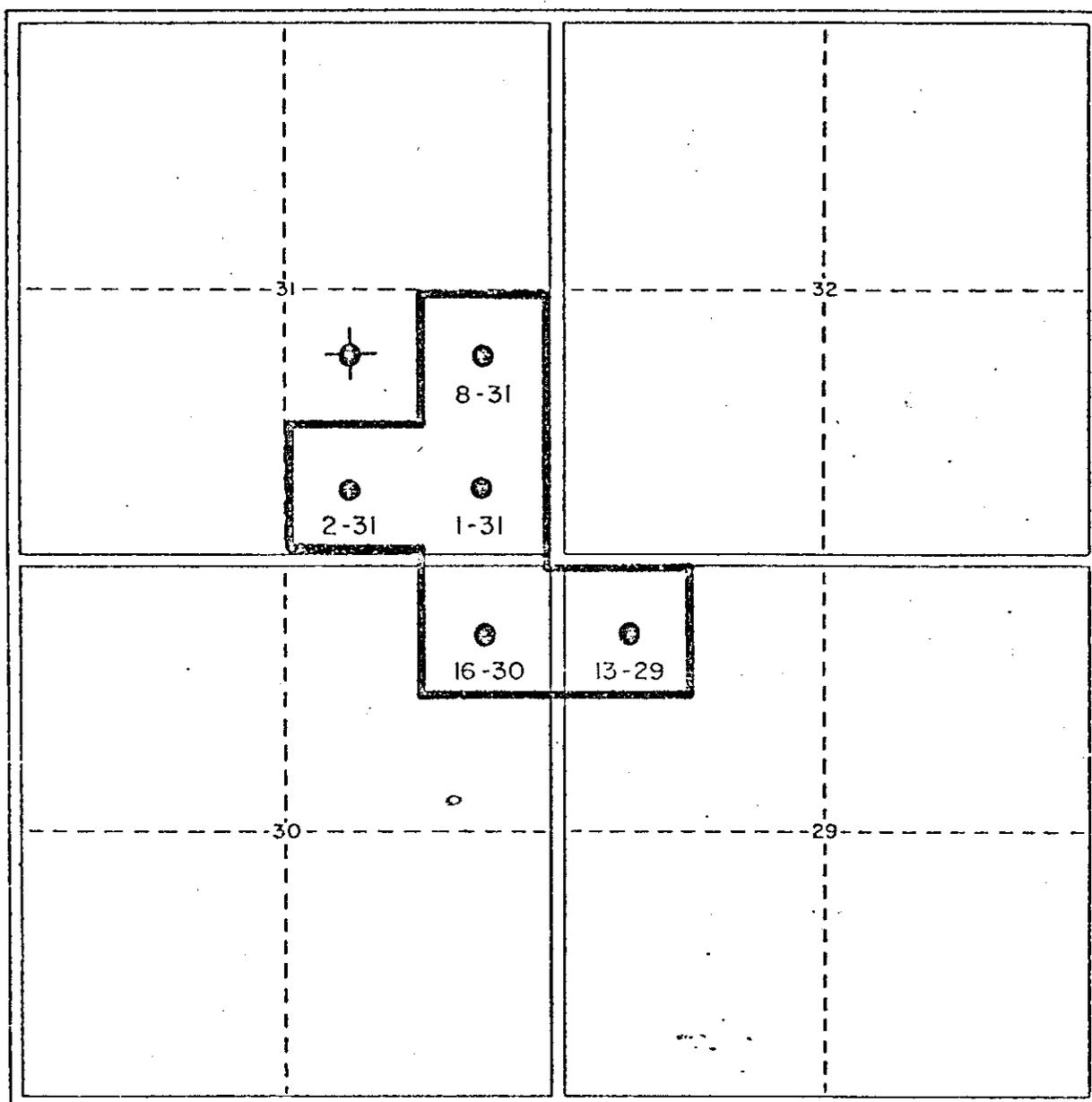

M. J. Gobert,
Member,
The Oil and Natural Gas
Conservation Board.

PART XXIII

THE LANDS IN THE PROVINCE OF MANITOBA WHICH COMPRISE
THE WEST BUTLER UNIT NO. 1 ARE AS FOLLOWS:

<u>TRACT NUMBER</u>	<u>LEGAL DESCRIPTION</u>
	<u>TOWNSHIP 9, RANGE 29, WPM</u>
13-29	Lsd. 13, Section 29
16-30	Lsd. 16, Section 30
1-31	Lsd. 1, Section 31
2-31	Lsd. 2, Section 31
8-31	Lsd. 8, Section 31

MAP OF UNIT AREA



TWP 9 RGE 29 WPM

LEGEND

-  OILWELL
-  ABANDONED OILWELL
-  NUMBERED TRACT
-  UNIT BOUNDARY

PART XXV

<u>TRACT NUMBER</u>	<u>TRACT PARTICIPATION</u>
13-29	21.33365
16-30	21.76131
1-31	3.99741
2-31	33.18656
8-31	19.72107

INTEK - DEPARTMENTAL MEMORANDUM



DATE July 17

FROM S. Koper

TO A. E. Gabelet

PROVINCE OF MANITOBA

SUBJECT West Butler Unit - Crown Consent

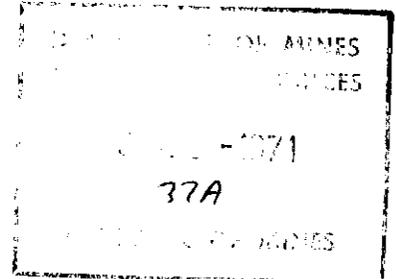
- ① The 3 copies of Royalty owner's consent forms for Ministerial signature were typed & forwarded ^{to} your office on June 9th - However according to your date stamp did not arrive there until July 11/72.
- ② While you were away ill we asked Nelson to search for the consent so that the Minister could sign them before the hearing on June 21st.
- ③ When they did not show up by June 20th we typed up a new consent which ~~you~~ ^{we} had signed for us in time for the hearing.
- ④ Now the original's have shown up in your office July 11th.
- ⑤ I have been unable to determine where they have been resting during ^{the} time but recommend they be torn up & securely destroyed.



PROVINCE OF MANITOBA

MINES BRANCH

PUBLIC NOTICE

SALE NO. 69OIL AND NATURAL GAS LEASE SALE

The undersigned will receive, subject to the conditions hereunder set forth, offers to acquire leases of Crown oil and natural gas rights, up to 12.00 noon, Central Daylight Time, on Tuesday, the 7th day of September, 1971, within the ten parcels described in the attached Schedule 69A.

Any lease that may be issued in respect to the parcels in the attached Schedule will be issued subject to Part 1 of Manitoba Regulation 14/47 as amended, and in addition to the requirements of the Regulations, the bidder making the offer acceptable to the Department, in respect of Parcels No's. 3, 4 & 10, will be required within a period of one year to drill a well on a location within the boundaries of the said lease to a depth of not less than 150 feet into the Mississippian.

With respect to Parcel No. 7, successful bidder will be required, within a period of one year, to drill a well on a location within the boundaries of the said lease to a depth of not less than 150 feet into the Mississippian or, in lieu of drilling, may conduct such other development work as is satisfactory to the Minister.

No drilling will be permitted on any land that is or is liable to become wet or covered with water without the prior written consent of the Minister of Mines, Resources and Environmental Management.

The offer, in each case, must be accompanied by the full amount of the purchase price, together with the rental at the rate of 50¢ an acre or fraction thereof for the first year, and the lease fee of \$10.00 for each parcel.

The purchase price, rental and fee must be in the form of cash, or bank draft, or marked cheque, in favor of the Provincial Treasurer of Manitoba.

The bidder may request, if his offer on one parcel is not accepted, that his offer be considered on another parcel provided his order of choice is clearly stated and that the amount of his remittance is sufficient to satisfy the purchase price, rental and fee on the further choice or choices, and provided that the alternative offers are for specific amounts.

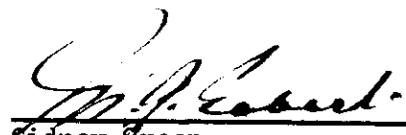
All offers should be mailed or delivered in person to the Director of Mines, 901 Norquay Building, 401 York Avenue, Winnipeg 1, Manitoba, and marked "Sale No. 69".

All bids must be submitted on individual parcels.

The bids will be opened in Room 903 Norquay Building, at 2.00 P.M., Central Daylight Time, on Tuesday, the 7th day of September, 1971.

The Department reserves the right to reject any or all offers received and to refund to the person making an offer the monies received from him.

DATED at Winnipeg, Manitoba, this *8th* day of *July* 1971.

for 
 Sidney Green,
 Minister of Mines, Resources
 and Environmental Management

(Sale No. 69)

SCHEDULE 69A

OIL AND NATURAL GAS LEASE SALE NO. 69

The following is a description of the parcels contained in the Oil and Natural Gas Lease Sale offered by Public Notice dated July 8th, 1971 and marked Sale No. 69.

<u>PARCEL NO.</u>	<u>PART</u>	<u>SECTION</u>	<u>TOWNSHIP</u>	<u>RANGE</u>	<u>ACREAGE</u>
1	S.E. $\frac{1}{4}$	10	1	26 WPM	160
2	S.W. $\frac{1}{4}$	32	2	26 WPM	
	S.E. $\frac{1}{4}$	30	2	25 WPM	
	S.W. $\frac{1}{4}$	32	2	25 WPM	
	N. $\frac{1}{2}$	4	3	25 WPM	
	L.S. 4 & 5	6	3	25 WPM	
	S.W. $\frac{1}{4}$	16	3	25 WPM	1,048
3	S.W. $\frac{1}{4}$	2	3	26 WPM	
	S. $\frac{1}{2}$ & N.W. $\frac{1}{4}$	4	3	26 WPM	
	All	6	3	26 WPM	
	N.E. $\frac{1}{4}$	10	3	26 WPM	1,495
4	All	11	3	26 WPM	
	S.E. $\frac{1}{4}$	12	3	26 WPM	
	S.E. $\frac{1}{4}$	14	3	26 WPM	
	S.E. $\frac{1}{4}$	22	3	26 WPM	
	S.E. $\frac{1}{4}$	28	3	26 WPM	
	S.W. $\frac{1}{4}$	36	3	26 WPM	1,440
5	N.W. $\frac{1}{4}$	36	8	28 WPM	160
6	S.W. $\frac{1}{4}$	18	9	25 WPM	154
7	E. $\frac{1}{2}$ & S.W. $\frac{1}{4}$	29	9	29 WPM	
	S. $\frac{1}{2}$ & N.W. $\frac{1}{4}$	30	9	29 WPM	
	All	32	9	29 WPM	1,599
8	N.W. $\frac{1}{4}$	29	12	25 WPM	
	N.E. $\frac{1}{4}$	32	12	25 WPM	
	N.E. $\frac{1}{4}$	26	12	26 WPM	
	S. $\frac{1}{2}$	36	12	26 WPM	
	N. $\frac{1}{2}$	36	12	27 WPM	1,120
9	S.E. $\frac{1}{4}$	6	13	25 WPM	
	S.W. $\frac{1}{4}$	16	13	25 WPM	
	N. $\frac{1}{2}$	18	13	25 WPM	638
10	S.E. $\frac{1}{4}$	1	13	26 WPM	
	N.E. $\frac{1}{4}$	2	13	26 WPM	
	All	11	13	26 WPM	
	N.E. $\frac{1}{4}$	12	13	26 WPM	
	S.W. $\frac{1}{4}$	14	13	26 WPM	
	S.W. $\frac{1}{4}$	24	13	26 WPM	1,440

This Indenture

Oil and Natural Gas Lease Number
2289
File Number

made in duplicate thistwenty-ninth.....day ofNovember.....
 in the year of Our Lord one thousand nine hundred andseventy-one.....

BETWEEN Her Majesty the Queen in the right of the Province of Manitoba, represented herein by the Minister of Mines and Natural Resources, hereinafter called "the lessor" of the first part, and

Chevron Standard Limited
 400 Fifth Ave. S.W.
 Calgary, Alberta

hereinafter called "the lessee," of the second part.

WHEREAS the lessee having applied for a lease under "The Mines Act" and the regulations made thereunder of the oil and natural gas rights in the lands hereinafter described, the lessor has granted such application upon the terms and conditions herein contained, under Sale #69.

NOW THIS INDENTURE WITNESSETH that in consideration of all the rents and royalties hereinafter reserved and subject to the provisos, conditions, restrictions, and stipulations hereinafter expressed and contained, the lessor hereby grants, demises, and leases unto the lessee the exclusive right and privilege of any of the rights aforesaid to enter upon, use and occupy so much of the surface of the said parcel of land more particularly described as follows, namely:

In Township Nine and Range Twenty-nine West of the Principal Meridian in Manitoba and being the East Half and the South-West Quarter of Section Twenty-nine, the South Half and the North-West Quarter of Section Thirty and all of Section Thirty-two containing by admeasurement fifteen hundred and ninety-nine (1599) acres more or less.

and subject to the restrictions contained in the said regulations in force from time to time whether made before or after the date hereof with full and exclusive liberty, power, and authority for the lessee, his agents, servants, and workmen to win, take, get and dispose of all such oil and natural gas and for that purpose to drill wells, lay pipelines subject to "The Pipe Lines Act," as amended from time to time whether before or after the date hereof, and the regulations made thereunder in force from time to time whether made before or after the date hereof, and build such tanks, stations and structures as may be necessary and in the lawful exercise of any of the rights aforesaid to enter upon, use and occupy so much of the surface of the said parcel of land as may be necessary upon and subject to the terms and conditions hereinafter mentioned.

SAVING AND EXCEPTING NEVERTHELESS that this lease shall include only the oil and natural gas, the property of the Crown, in the lands hereinbefore described, which may be obtained by the usual process of drilling, and shall not include the oil shale rights to the land or to the oil which may be recovered from such shale, by the process of extraction customary in such cases.

SAVING, EXCEPTING AND RESERVING NEVERTHELESS unto the lessor any helium combined with, contained in or extractable from any such oil and natural gas together with the full power to obtain by separation, extraction, or any other means whatsoever any such helium and for that purpose to subject the said oil and natural gas, or any of it, to any operation or process which the lessor may deem proper, and to enter upon, use or occupy any part or parts of the surface of the said parcel of land occupied by the lessee and any buildings or erections thereon and to set up and operate thereon machinery, appliances or plant, and to conduct any process or operation for the purpose of obtaining by extraction, or otherwise, any of the helium hereby reserved to the lessor out of the demised premises.

TO HOLD and enjoy all the powers and privileges hereby granted subject to the regulations aforesaid and the provision herein mentioned and the said lands hereby demised unto the lessee henceforth for a period of nine years, consisting of a primary term of three years and a secondary term of six years, and to be computed from thetwenty-seventh.....day ofSeptember..... 19 71, renewable for successive terms of six years each upon the conditions of said regulations, subject to the regulations in force at the time such renewals are granted, provided the lessee furnishes evidence satisfactory to the Minister of Mines and Natural Resources to show that during the term of the lease he has complied fully with the conditions of such lease and with the provisions of the regulations in force from time to time whether made before or after the date hereof during the currency of the lease.

AND IT IS HEREBY AGREED by and between the lessor and the lessee as follows:

1. That if the lessee shall at any time make default in the due payment of any sum or sums of money whatsoever which may be payable to the lessor or for which the lessee may be liable pursuant to any of the provisions of this lease, and whether on account of rent, royalty, interest, penalty or otherwise, at any of the days or times fixed or appointed for the payment thereof, the lessor may by any person duly authorized by the Minister in writing, enter and distrain thereon upon the premises described herein or any part thereof and by distress levied upon any goods and chattels which may be found upon the said premises or any part thereof to recover such sum or sums of money as last aforesaid together with all costs and expenses of and incidental to any such distress.

2. That if the rent hereby reserved or any part thereof shall be unpaid for thirty days after becoming payable (whether payment thereof shall have been demanded or not), or if any covenant, proviso, stipulation, or condition on the part of the lessee herein contained shall not be performed or observed, then and in any of the said cases it shall be lawful for the lessor (without judicial inquiry) by notice in writing to cancel these presents and terminate the estate or term hereby demised and thereupon these presents and everything therein contained and the estate or term shall from the time of the giving of such notice absolutely cease, determine and be void without re-entry or any other act or any suit or legal proceedings to be brought or taken, provided that the lessor shall nevertheless be entitled, to recover from the lessee the rent then accrued or accruing and moreover that any right of action of the lessor against the lessee in respect of any antecedent breach of any of the said covenants, provisos, stipulations or conditions shall not thereby be prejudiced.

3. That any notice affecting the tenancy hereunder which the lessor may desire to serve upon the lessee shall be sufficiently served on the lessee if left addressed to him on the demised premises or posted to him addressed to his last known address or if left at the said address. A notice sent by post shall be deemed to be given at the time when in due course of post it would be delivered at the address to which it is sent. Such notice may be legally given by the Minister, Deputy Minister, Assistant Deputy Minister or Director of Mines.

4. That any notice, demand, notice of cancellation or default, or other communication which the lessor or the Minister may require or desire to give or serve upon the lessee may be legally given and served by the Minister, Director of Mines or any duly authorized officer of the Department of Mines and Natural Resources.

5. That if by reason of insufficient surveys or any other circumstances whatsoever the oil and natural gas rights hereby demised are found to include a portion of the oil and natural gas rights demised to any other person or persons under the regulations of any Order of the Governor-General-in-Council or the Lieutenant-Governor-in-Council, the lessee whose application was first recorded in accordance with the provisions of such regulations, shall have priority.

6. That no waiver on behalf of the lessor of any breach of any or either of the provisos, conditions, restrictions, and stipulations herein contained, whether negative or positive in form, shall take effect, or be binding upon him, unless the same be expressed in writing under the authority of the lessor; and any waiver so expressed shall extend only to the particular breach so waived and shall not limit or affect the lessor's rights with respect to any other or future breach.

7. That no implied covenant or liability of any kind on the lessor's part is created by the use of the word "demise" or "lease" herein, or by the use of any other word or words herein, or shall otherwise arise by reason of these presents or anything therein contained.

8. That in construing this indenture, the regulations, with which the lessee is required to comply, shall be read and construed as part and parcel hereof, and in the event of there being a conflict between those regulations and a provision of this indenture, other than the provisions respecting the payment of rents and royalties, the regulations shall prevail.

9. That the lessee shall not, during the term hereof, use the demised premises, or permit or allow any person or persons to occupy any portion of the surface for any purpose whatsoever other than the drilling or mining operations, and shall abide by the decision of the lessor.

Where the context permits, the expression "lessee" herein includes the heirs, executors, administrators, and assigns of the lessee, the expression "lessor" includes her heirs and successors, and the expression "Minister" means the Minister of Mines and Natural Resources and includes the Deputy Minister of Mines and Natural Resources.

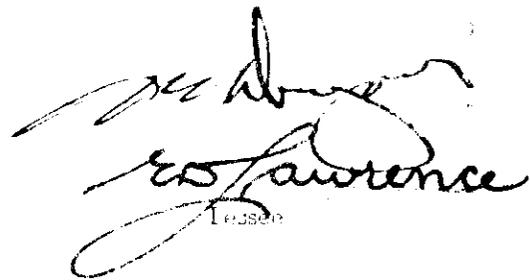
IN WITNESS WHEREOF, the lessor and the lessee have hereunto set their hands and seals the day and year first above written.

Signed, sealed and delivered
in the presence of

Minister of Mines and Resources and
Natural Resources Environmental Management

And by the lessee in the presence of

Witness


Lessee

COPY



R3C OV8

June 12, 1972.

Mr. J. L. Lebel,
 Vice-President,
 Chevron Standard Limited,
 400 Fifth Avenue S.W.,
 Calgary 1, Alberta.

Dear Mr. Lebel:

Re: Parcel No. 7 - Sale No. 69,
Lense No. 2389 - Chevron Standard Limited.

In accordance with the conditions of the above sale held September 7, 1971, this Department is prepared to accept as development work the implementation of a scheme for the secondary recovery of oil in the proposed West Butler Unit No. 1, in lieu of drilling a well into the Mississippian formation; provided that the proposed West Butler Unit No. 1 and application for implementation of secondary recovery is approved by The Oil and Natural Gas Conservation Board, and the said Unit becomes effective prior to September 27, 1972.

Yours sincerely,

R. A. Wallace,
 Deputy Minister.

JSR/MJG/au

✓ bcc: Mr. J. S. Roper

x. c. on: West Butler Unit No. 1.



CHEVRON STANDARD LIMITED

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

J. L. LABEL
VICE-PRESIDENT

June 6, 1972

The Honorable Leonard S. Evans
Acting Minister of Mines, Resources
and Environmental Management
Government of the Province of Manitoba
Winnipeg, Manitoba

Dear Sir:

Chevron Standard Limited was the purchaser of Parcel No. 7 covering "E₁ and SW₄ Sec 29, S₁ and NW₄ Sec 30 and all Sec 32 in Twp 9, Rge 29, WPM covering 1,599 acres more or less" at your September 7, 1971 sale. The sale notice provided "with respect to Parcel No. 7 successful bidder will be required, within a period of one year, to drill a well on a location within the boundaries of the said lease to a depth of not less than 150 feet into the Mississippian or, in lieu of drilling, may conduct such other development work as is satisfactory to the Minister."

Chevron Standard Limited recently filed an Application for a "Plan for Unit Operation Governing the Unitized Management and Further Development of the West Butler Unit No. 1" together with an Application for implementation of secondary recovery by water flooding of the proposed West Butler Unit No. 1, and the Oil and Natural Gas Conservation Board of Manitoba has advertised a Public Hearing on our Application for June 21, 1972 at Room 903, Horquay Building, Winnipeg, Manitoba. The lands contained in Parcel No. 7 are adjacent to our proposed unit as shown cross hatched on the attached plat. We feel it would be most desirable to defer consideration of a well on Parcel No. 7 until such time as we know the results of our proposed secondary recovery scheme and accordingly we request that the implementation of our unitization and secondary recovery scheme be accepted as "such other development work as is satisfactory to the Minister" thereby relieving Chevron of the drilling requirement set forth in your Sale Notice No. 69.

Trusting this will have your early consideration and approval, we remain,

Yours very truly,

A. S. Macrae
J. L. LABEL

ASMc/em
attachment

cc: Mr. J. S. Roper, Deputy Chairman
Oil & Natural Gas Conservation Board
Mr. H. J. Gobert, Member ✓
Oil & Natural Gas Conservation Board

