



Energy and Mines

Petroleum

555 — 330 Graham Avenue
Winnipeg, Manitoba, CANADA
R3C 4E3

(204) 945-6577

April 19, 1990

Home Oil Company Limited
1700 Home Oil Tower
324 - 8th Avenue S.W.
CALGARY, Alberta T2P 2Z5

Attention: Mr. Jik Chan

Dear Jik:

Re: Over-Production South Pierson Field

The maximum permissible production rate per well for all pools in the South Pierson Field is 240 m³ of clean oil per month. This letter is to advise you that the following wells in the South Pierson Field have been over-produced.

| Well | Cumulative Over-Production as of March 1, 1990 (m ³) |
|------------------|--|
| 8-8-2-29 (WPM) | 283.2 |
| 16-9-2-29 (WPM) | 276.9 |
| 11-19-2-29 (WPM) | 25.6 |

Please submit to the Petroleum Branch by May 8, 1990 your plans to retire the over-production.

Yours truly,



John N. Fox
Chief Petroleum Engineer
Petroleum Branch