



CANADA

DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT
OIL AND MINERAL DIVISION

Application for a Drilling Authority

This notice of intention to begin drilling operations, in triplicate, and where required a plan of survey approved by the Surveyor General showing the target area or the site of the well must be submitted and approved before commencing operations.

In compliance with the "Canada Oil and Gas Land Regulations", application is hereby made for approval to drill:—

Name and number of well SHELL PEEL RIVER YT M-69

Location: Unit M Section 69 66- 10 - 133 -45
 Latitude 66° 08' 56" 133° 58' 04" Grid
 Unique Well Identifier 300M696610133450
 Universal Well Location Reference 66-14889 133-96778

Elevation: Ground 927 K.B. 957 Est. feet above sea-level.
 Well is expected to produce from Exploratory Well-Unknown formation at a depth
 of about unknown feet. Expected total final depth 12,500'
 Area assigned to well (for District Conservation Engineer's use only)

Permit No. Lease No. C-1674 Acreage 10,376
 Permittee, licensee, or lessee Shell Canada Limited & Shell Explorer Limited
 Exploratory Licence No. 163 2262
 Surface owned by Crown or Crown (if alienated submit name and address of owner and occupant.)

Petroleum and natural gas rights owned by Crown
 We propose to use the following strings of casing, either cementing or landing them as indicated below:—

| Casing Size O.D. (Inches) | Weight (Lb./Ft.) | Grade | New or Used | Estimated Depth | Sacks of Cement |
|--|------------------|--------------|------------------------------------|-----------------|-----------------|
| 1. 24x20 refrig./insul. | | | New | 60 | 250 Sx. |
| 2. 9-5/8" | 36# | K-55 | New | 1250 | 750 Sx. |
| 3. If req'd, by hole conditions 7" or 7-5/8" | | | casing will be run less than 8700' | | |
| 4. 7-5/8" | 26.4 & 29.7 | N80 + S0090 | New | 8700' | |
| 5. 7" | 29# | P110 + S0095 | New | 8700' to T.D. | |

Expected water, gas, and oil horizons and type of control equipment to 1250± feet
 20" 2000# Annular preventer while drilling to 1250± feet
 13-5/8" 5000# stack including annular preventer, blind rams, 2 sets pipe rams
 will be used from 1250' to T.D.
 Well will be drilled with Rotary Rig No. 10 by Adeco Drilling & Engineering Co. Ltd.
 (Drilling Contractor or company)

Responsible agent of applicant:— Contractor's Business Licence No. 10848
 At well Shell Drilling Foreman A.D. Jones
 Address P.O. Box 1660, Inuvik, N.W. Address 639 - 5th Avenue S.W., Calgary, Alberta
 It is understood that if changes become necessary, notice of the change of plan will be submitted.
 Dated at Calgary this day of July 19 74
 Signed by [Signature] Company Shell Canada Limited
 Title Manager, Division Drilling Operator's Licence No. 163

(For Oil and Mineral Division use only)

APPROVED


This application has been examined and approved subject to the following conditions:

Dated Aug 14 1974 [Signature]
 District Conservation Engineer
 Forms to be submitted to District Conservation Engineer,
 Department of Indian Affairs and Northern Development.

CONDITIONS OF APPROVAL:

1. Copies of this Drilling Authority and Amendments to a Drilling Authority shall be exhibited at the drilling rig in both the Doghouse and the Drilling Foreman's office between spud and rig release dates.
2. The Company shall submit to this office, on Tuesday of each week/daily, the latest reports received on the progress of the well.
3. During well drilling and testing operations, every effort shall be made to ensure that drilling fluids, chemicals and wastes shall be disposed of or contained in a manner that will prevent contamination of adjacent areas, or sub-surface waters.
4. We draw your attention to Sections 95 and 96 of the Canada Oil and Gas Land Regulations.
5. Approval must be obtained from the Regional Conservation Engineer to run any casing or liners not approved on the Drilling Authority.
6. All shows of oil and/or gas, and water flows, or any unusual events shall be reported to the Regional Conservation Engineer immediately.
7. Should a fatal accident occur, the Regional Oil and Gas Conservation Engineer shall be notified immediately and the scene of the accident shall be left intact, unless safety considerations dictate otherwise, pending investigation by official authorities.

If the requirement to leave the scene of the accident intact interferes, in the opinion of the Operator, with the safe and efficient operation of the drilling rig, drilling operations shall be suspended after ensuring the safety of the well in the suspended state and permission to resume drilling must be obtained from the Regional Oil and Gas Conservation Engineer.
8. Two field print copies of all well logs and three copies of the core and fluid analyses must be forwarded to the Regional Oil and Gas Conservation Engineer as soon as they are available.
9. Formation tops (samples or logs) of the section penetrated each week are to be reported with the weekly drilling reports.
10. The Regional Oil and Gas Conservation Engineer must be notified at least 24 hours before spudding the well.
11. Permission to drill beyond the approved final total depth MUST be obtained from the Regional Oil and Gas Conservation Engineer.


Regional Conservation Engineer
Yukon Territory