



May 28, 2001

5000-4800/4150-59070-20
OGC - 01118

Chris Bailey, P.Eng.
Operations Engineer
Anadarko Canada Corporation
P.O. Box 7260
Peace River AB T8S 1S9

Dear Mr. Bailey:

**RE: APPLICATION FOR COMMINGLED PRODUCTION
ANADARKO JEDNEY a-7-K/94-G-8; WA# 7004**

The Commission has reviewed your application dated April 25, 2001 requesting permission to commingle gas production from the Baldonnel and Halfway zones encountered in the subject well.

The Commission has designated the gas pools under application to be the Jedney – Baldonnel/Upper Charlie Lake “A” and Halfway “G”. Both pools contain ^{slightly sour} mainly sweet gas. Commingled production is expected to increase gas production from otherwise marginal zones by mitigating liquid loading problems. This would increase the producing life of the well, thereby increasing recoverable reserves.

We wish to advise you that your application to commingle production from these two pools is hereby approved, under the authority of section 41 of the *Drilling and Production Regulation*, subject to the following conditions:

1. Production from the Baldonnel/Upper Charlie Lake (1451.0–1457.0 mKB) and Halfway (1635.0–1640.0 mKB) zones may be commingled.
2. Gas, condensate and water production should be allocated on the Ministry of Energy and Mines BC S-1 and BC S-2 forms on the basis of Baldonnel/Upper Charlie Lake 60% and Halfway 40%.
3. This approval may be modified at a later date if deemed appropriate through a change in circumstances.

Please note that the Halfway zone is currently held under Drilling License 45667. Please ensure that a Petroleum and Natural Gas Lease selection is made prior to any production. Also, as this well is in an off-target location for gas production from the Halfway, the lease selection must include the affected gas spacing area to the west in order to avoid an off-target penalty. Alternately, the approval of a discovery well application for the Halfway zone would remove the potential off-target penalty.

Sincerely,

Craig Gibson, P. Eng.
Manager
Reservoir Engineering and Geology

**Approval Letters to Industry
COMMINGLED PRODUCTION
Copy 8**

- Wellfile (originals)
- 59070-20
- Daily
- Resource Revenue
- R. Stefik
- G. Farr
- P.S. Attariwala
- D. Krezanoski

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ENGINEERING AND GEOLOG
PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel:
Location: 6th Flr 1810 Blanshard S