



June 8, 1998

File: 7250-4100-59070-20
Ref.: 980482

Mr. Will Yakymyshyn, P. Eng.
Engineer, Exploitation
Anderson Exploration Ltd.
1600, 324-8th Avenue S.W.
Calgary, AB T2P 2Z7

Dear Mr. Yakymyshyn:

**RE: APPLICATION FOR COMMINGLED PRODUCTION
ARL APACHE PICKELL d-70-A/94-H-6; WA# 10203**

Copies for Approval Letters (B)
Commingled Production

Resource Revenue.

<input type="checkbox"/>	G. Miltenberger
<input type="checkbox"/>	P. S. Attariwala
<input checked="" type="checkbox"/>	R. G. Stefik
<input type="checkbox"/>	G. Farr
<input type="checkbox"/>	Wellfile (originals)
<input type="checkbox"/>	59070-20
<input type="checkbox"/>	Daily

The Ministry has reviewed your application dated April 21, 1998, requesting permission to commingle gas production from the Bluesky 'C' and Baldonnel 'B' pools encountered in the subject well.

Reservoir pressure and fluid composition are similar for the two pools. Commingling approval is granted as both zones are in pressure communication behind pipe. Due to the large relative difference in reserves associated with these two pools, depletion of the Bluesky 'C' pool must be reflected in production allocation.

We wish to advise you that your application to commingle production from these two formations is hereby approved, under the authority of section 44 of the *Drilling and Production Regulation*, subject to the following conditions:

1. Production from the Bluesky (1090 - 1096 mKB) and Baldonnel (1121 - 1133 mKB) formations may be commingled.
2. Gas, condensate and water production should be allocated on the BC S-1 and BC S-2 forms on the basis of Bluesky 50% and Baldonnel 50%, until gas production from the Bluesky zone has reached a volume of 32 e⁶m³, after which production should be reported as Baldonnel 100%.

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3. This approval may be modified at a later date if deemed appropriate through a change in circumstances.

Sincerely,

A handwritten signature in cursive script, appearing to read "B. van Oort", with the word "for" written below it.

B. van Oort, P. Eng.
Director
Engineering and Operations Branch