



OIL AND GAS COMMISSION

September 2, 1999

Mr. Donald Schulte, P. Eng.
Consulting Engineer
Archean Energy Ltd.
Suite 1000, Home Oil Tower
324 - 8th Ave SW
Calgary AB T2P 2Z2

Approval Letters to Industry
COMMINGLED PRODUCTION

Copy

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

5170-2200/2510-59070-20
OGC-990446

Dear Mr. Schulte:

**RE: APPLICATION FOR COMMINGLED PRODUCTION
ARCHEAN KELLY c-74-F/93-P-1; WA# 8236**

The Commission has reviewed your application dated August 20, 1999, requesting permission to commingle gas production from the Cadotte and Falher B zones encountered in the subject well.

The Commission has designated the gas pools in this well to be Cadotte "E" and Falher B "C" of the Kelly field. Gas compositions are similar for the two pools. Gas production from the Cadotte is expected to increase, as liquid loading is prevented with commingled production. 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 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 Cadotte "E" and Falher B "C" pools 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 according to the annual factors proposed in your application.
3. This approval may be modified at a later date if deemed appropriate through a change in circumstances.

Sincerely,

Bou van Oort, P. Eng.
Director
Engineering and Geology Branch

ENGINEERING AND GEOLOGY BRANCH

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0291
Location: 6th Flr 1810 Blanshard St. Victoria BC

Headquarters: #200, 10003 110th Ave, Fort St. John BC V1J 6M7 Tel: (250) 261-5729 Fax: (250) 261-5744 www.ogc.gov.bc.ca