



OIL AND GAS COMMISSION

October 14, 2005

6480-2200/2800/2850-59070-20
OGC - 05278

Richard Tomlins
Principal Production Engineer
BG Canada Exploration & Production
Suite 700, 150-6th Avenue S.W.
CALGARY, AB T2T 3Y7

Dear Mr Tomlins:

RE: APPLICATION FOR COMMINGLED PRODUCTION APPROVAL
BG Canada Ojay b-38-C/93-I-16; WA# 14389

The OGC has reviewed your application dated August 15, 2005 for approval to commingle gas production from the Cadotte and Cadomin/Nikanassin formations in the subject well.

The Commission has designated the gas pools under application to be the Ojay - Cadotte "D", Cadomin "G" and Nikanassin "F" pools. All three zones are mapped as single well pools. An approval to commingle the Cadomin and Nikanassin zones was previously issued by the Commission (January 31, 2003) and as such these two zones are presently commingled and produce through the tubing. The Cadotte zone is producing segregated through the annulus. Production performance for all zones indicates that the reservoirs are of limited size. It is noted that Cadotte zone is experiencing liquid loading problems. Commingled production through the tubing can more readily lift produced water which will extend the economic life of this well. Therefore commingled production of the Cadotte, Cadomin/Nikanassin is expected to maximize production and reserve recovery from all three zones. All three zones are sweet gas. Although the pressures are not similar a sliding sleeve is in place to enable segregation for the duration of any extended shut-in period.

We wish to advise you that your application to commingle production from these zones is hereby granted approval, under the authority of Section 41 of the *Drilling and Production Regulation*, subject to the following conditions:

1. Production from the Cadotte (2351.0-2358.0 mKB), Cadomin (3268.0-3274.0 mKB) and Nikanassin (3352.0 - 3752.5 mKB) formations may be commingled.
2. Gas, water and condensate production should be allocated on the Ministry of Provincial Revenue BC S-1 and BC S-2 forms on the basis of Cadotte 80 %, Cadomin 5% and Nikanassin 15 %.
3. This approval may be modified at a later date if deemed appropriate through a change in circumstances.

Please note that the production allocation between the Cadomin and Nikanassin is based on previously approved factors.

Should you have any questions, please contact the undersigned at (250) 952-0366.

Sincerely,

Richard Slocomb, P. Eng.
A/Director
Resource Conservation Branch

Approval Letters to Industry
COMMINGLED PRODUCTION

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

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