



BRITISH COLUMBIA

April 21, 1998

Mr. Ed Poth  
Senior Exploitation Engineer  
Blue Range Resource Corporation  
1300 800 5<sup>th</sup> Avenue SW  
Calgary AB T2P 3T6

Copies for Approval Letters (7)  
Commingled Production

<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

*Resource Revenue*

Reference: 980380  
7780-2600-59070-20

Dear Mr. Poth:

**RE: APPROVAL FOR COMMINGLED PRODUCTION**  
**BLUE RANGE SILVER d-31-L/94-H-6; WA# 8903**

The Ministry has reviewed your application dated January 19, 1998, requesting permission to commingle gas production from the Bluesky 'A' and Baldonnel 'A' pools encountered in the subject well.

Reservoir fluid composition and current pressures appear to be similar for the two zones. The Bluesky 'A' pool is presently being drained by a number of wells, while the Baldonnel 'A' is a single well pool. The risk of crossflow appears to be acceptably balanced by the potential opportunity of capturing additional Bluesky reserves which may not otherwise be produced due to liquid loading within the wellbore.

The 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 'A' (1109.0 - 1112.0 mKB) and the Baldonnel 'A' (1126.5 - 1229.8 mKB) 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%.
3. This approval may be modified at a later date if deemed appropriate through a change in circumstances.

Sincerely,

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

RGS/mef