

September 29, 2004

6480-2800/2850-59070-20
OGC - 04281

Doug Marjerrison, P.Eng.
Senior Production Engineer
BP Canada Energy Co
240 - 4th Avenue S.W.
CALGARY AB T2P 2H8

Dear Mr. Marjerrison:

**RE: APPLICATION FOR COMMINGLED PRODUCTION
BP NORTHSTAR OJAY b-A057-G/093-I-09; WA# 14061**

**Approval Letters to Industry
COMMINGLED PRODUCTION**

Copy 8

<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"/>	P. S. Attanwala R. SLOON
<input type="checkbox"/>	D. Krezanoski

The Commission has reviewed your application dated June 2 and supplementary data submitted August 17, 2004, requesting permission to commingle gas production from the Cadomin and Nikanassin zones encountered in the subject well.

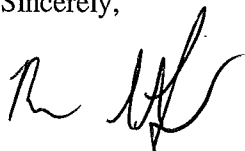
Well production commenced in November 2002. Subsequent pay zone evaluation by this office indicated that two formations were being producing in a commingled manner, prompting this application. The two zones have been mapped as the Ojay Cadomin "B" and Nikanassin "B" pools. A production log run August 1st of this year, following a minor well stimulation treatment, indicates that the Cadomin does not appear to be contributing to well gas production. However, continued operation in a commingled manner should not have any negative effect on well gas recovery, with the possibility of the Cadomin contributing gas flow as the well operating pressure declines. Both formations contain sweet gas in this area. All production to-date has been posted to the Nikanassin.

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

1. Production from the Cadomin (2793.0-2803.5 mKB) and Nikanassin (2811.0-2909.0 mKB) zones may be commingled.
2. Gas, condensate and water production should be allocated on the Ministry of Provincial Revenue BC S-1 and BC S-2 forms on the basis of Nikanassin 100%.
3. This approval may be modified at a later date if deemed appropriate through a change in circumstances and to reflect the results of any future flow tests.

The Cadomin zone is hereby exempt from the initial reservoir pressure and AOF test requirements under Sections 84 and 95 of the *Regulation*.

Sincerely,



Ron G. Stefik, ASCT
Sr. Reservoir Engineering Technician

RESOURCE CONSERVATION BRANCH

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0301
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