



August 10, 2004

6480-2800/2850-59070-20
OGC - 04235

Alan Bray
Reservoir Engineer
BP Canada Energy Co
240 - 4 Avenue S.W.
CALGARY AB T2P 2H8

Dear Mr. Bray:

**RE: APPLICATION FOR COMMINGLED PRODUCTION
BP DEVON OJAY a-38-H/93-I-09; WA# 5022**

The Commission has reviewed your application dated July 22, 2004, for interim approval to commingle gas production from the Cadomin and Nikanassin zones in the subject well.

Both formations contain sweet gas with similar pressures. BP has proposed to re-enter the original well bore and under-balance drill a high angle sidetrack. The original well was completed, tested and subsequently suspended in a commingled manner. Furthermore, BP believes that the Cadomin and Nikinassin zones may be connected via a complex fracture network. As such, segregated production would not be possible as the two zones are in communication through the original well bore as well as potentially through the fractures. Additionally, commingled production of these two zones is expected to maximize production and reserve recovery.

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

1. A production test must be completed to establish the AOF, and initial reservoir pressure for the commingled Cadomin/Nikinassin zone, and reports filed as per the requirements of Sections 84 and 95 of the Regulation.
2. A formal application for commingled production must be submitted with supporting test data, gas analysis and proposed allocation factors for production reporting.
3. Formal approval for commingled production **will not** be authorized until all of the conditions above have been met.

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

Sincerely,

Richard Slocomb, P.Eng.
Supervisor,
Reservoir Engineering

COMMINGLED PRODUCTION

Copy 8

- Wellfile (originals)
- 59070-20
- Daily
- Resource Revenue
- R. Stefik
- G. Farr
- P.S. Attariwala
- D. Krezanoski
- RICHARD SLOCOMB

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