



March 18, 2004

4780-2200/2520-59070-20

OGC - 04106

Darryl Krobel, EIT
Deep Basin Engineering
Burlington Resources Canada Ltd.
PO Box 4365, Postal Station C
CALGARY AB T2T 5N2

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. Attariwala
<input type="checkbox"/>	D. Krezanoski

Dear Mr Krobel:

**RE: APPLICATION FOR COMMINGLED PRODUCTION APPROVAL
BRC HTR et al Hiding a-19-J/93-I-16; WA# 12177**

The OGC has reviewed your application dated March 9, 2004, for approval to commingle gas production from the Cadotte and Falher D formations in the subject well.

The Commission has designated the gas pools under application to be the Hiding – Falher D “A” and the Cadotte has yet to be evaluated and assigned to a pool.

The Falher D “A” pool has four producing wells and has been on production since January 1994. Each of the four producing wells is producing at a rate less than $15 \times 10^3 \text{ m}^3/\text{d}$. The subject well is currently having liquid loading problems in the Falher D and produces on timer. The Cadotte tested at $5 \times 10^3 \text{ m}^3/\text{d}$ but has never been on production. Both zones have very low productivity and as such commingled production is expected to allow the Falher D to continue flowing gas and the Cadotte to start producing; thereby increasing recoverable gas. Both zones are sweet gas. Although both zones are expected to have similar pressures Burlington has committed to maintaining a sliding sleeve 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 Falher D (2782 – 2789 mKB) and Cadotte (2573 – 2576 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 Falher D 60 % and Cadotte 40 %. The allocation factors may be amended to reflect results of any future tests.
3. This approval may be modified at a later date if deemed appropriate through a change in circumstances.

Please submit the results of the noted reservoir pressure test on the Cadotte zone, using the approved OGC Pressure Survey Test (PST) form. As a liquid level may be present in the wellbore annulus, an acoustic well sounder test may be prudent to establish current reservoir pressure prior to commingling.

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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

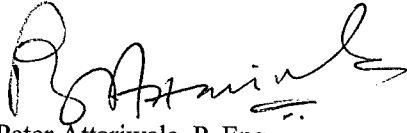
Headquarters: #200, 10003 110th Ave, Fort St. John BC V1J 6M7 Tel: (250) 261-5700 Fax: (250) 261-5744 www.ogc.gov.bc.ca

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Should you have any questions, please contact the undersigned at (250) 952-0311 or Richard Slocomb at (250) 952-0366.

Sincerely,

A handwritten signature in black ink, appearing to read "P. Attariwala", with a stylized flourish at the end.

Peter Attariwala, P. Eng.
Supervisor
Reservoir Engineering
