



OIL AND GAS COMMISSION

January 6, 2005

4780-2400-59070-20
OGC - 05003

Darryl Krobel, EIT
Deep Basin Engineering
Burlington Resources Canada Ltd.
2100 Bow Valley Square IV, 250-6th Avenue S.W.
Calgary, Alberta T2P 3H7

Dear Mr. Krobel:

**RE: APPLICATION FOR COMMINGLED PRODUCTION APPROVAL
BRC HTR et al Hiding d-52-F/93-I-16; WA# 13908**

The OGC has reviewed your application dated December 10, 2004, for approval to commingle gas production from the Upper Notikewin and Lower Notikewin formations in the subject well. The OGC has designated the gas pools under application as the Hiding Creek - Notikewin "B" and Notikewin "A", respectively.

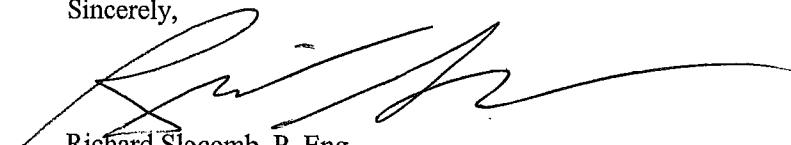
These two zones had been previously been commingled through a hole in the tubing, due to corrosion caused by high CO₂ concentrations and accumulated liquids above the packer. At the request of the OGC, Burlington Resources repaired the hole in the tubing in August 2004 and performed build-up tests on both zones. Since recommencement of production the Notikewin "B" has liquid loaded and is no longer capable of producing up the annulus. Recent pressure data indicates that the Notikewin "B" pool is almost depleted and as such commingled production with the Notikewin "A" is considered appropriate and is expected to maximize production and recovery from the Notikewin "B" pool.

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 Lower Notikewin (2252.0 – 2256.5 mKB) and Upper Notikewin (2608.0 – 2615.0 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 Lower Notikewin 80 % and Upper Notikewin 20 %. 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.

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

Sincerely,



Richard Slocomb, P. Eng.
Supervisor, Reservoir Engineering

**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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