



September 15, 2005

5170-2200/2505/2510-59070-20

OGC – 05252

Kory Galbraith, P.Eng.
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Burlington Resources Canada Ltd.
2100 Bow Valley Square IV,
250 – 6th Avenue SW
CALGARY AB, T2P 3H7

**Approval Letters to Industry
COMMINGLED PRODUCTION**

Copy 8

	Wellfile (originals) 59070-20
	Daily
	Resource Revenue
	R. Stefik
	G. Farr
	R Slocomb
	D. Krezanoski

Dear Mr Galbraith:

**RE: APPLICATION FOR COMMINGLED PRODUCTION APPROVAL
BRC HTR et al KELLY a-23-F/093-P-1; WA# 13264**

The OGC has reviewed your application dated June 25, 2004 and supplemental information, for approval to commingle gas production from the Cadotte, Falher A and Falher B formations in the subject well.

The Commission has designated the gas pools under application to be the Kelly – Cadotte “I”, Falher A “B” and Falher B “A”.

The Cadotte has been mapped as a single well pool, however recent pressure information indicates that this well is in communication with at least one other well (d-27-F/93-P-1; WA# 14413). Material balance analysis suggests that the Cadotte “I” pool is considerably larger than initially expected. The Cadotte zone in the subject well tested at 44.8 10³ m³/d. The Falher A in the subject well commenced production March 2001, and is currently producing up the tubing at a rate of 22.0 10³ m³/d. The Falher A is a multi-well pool of undetermined size. The Falher B has never produced, although it flowed at 17.4 10³ m³/d during production testing. Commingled production is expected to extend the productive life of the Falher B zone while maximizing production and reserve recovery from all three zones. All three zones are sweet gas. Although the reservoir pressures of these zones are dissimilar, the well is equipped with a sliding sleeve so that both zones can be segregated 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 Cadotte (2243.0 – 2245.5 mKB), Falher A (2356.0 – 2376.0 mKB) and Falher B (2388.0 – 2392.0 mKB) formations may be commingled.

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RESOURCE CONSERVATION BRANCH

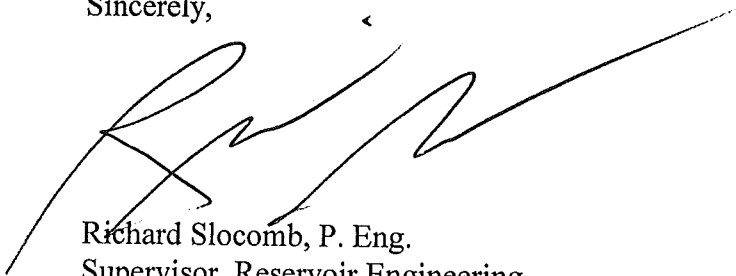
PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0301
Location: 6th Flr 1810 Blanshard St. Victoria BC

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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 Cadotte 45 %, Falher A 33% and Falher B 22 %. The allocation factors may be amended to reflect results of any future tests.
3. A segregated reservoir pressure and flow rate must be obtained from the Cadotte and Falher B prior to December 31, 2006 or once conditions allow access.
4. 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