



September 22, 2005

5170-2200/2520/2700-59070-20
OGC – 05259

Greg Barham
Deep Basin Engineering
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 Barham:

**RE: APPLICATION FOR COMMINGLED PRODUCTION APPROVAL
BRC HTR Kelly d-57-F/093-P-01; WA# 17722**

The OGC has reviewed your application dated August 12, 2005, for approval to commingle gas production from the Cadotte, Falher D and Gething formations in the subject well.

The Commission has designated the gas pools under application to be the Kelly – Cadotte “L”, Falher D “B” and Gething “D”. The Cadotte has been mapped as a two well pool. The Cadotte in the subject well has been on production since December 2004 and is currently producing at 20.7 10³ m³/d. Gas recovery to date from the Cadotte “L” pool is over 60% and Commission expects that the two wells currently producing from the pool are adequate to maximize recovery of reserves. The Falher D and Gething are both mapped as single well pools. The Falher D has never been on production, however it did produce at 29.8 10³ m³/d after initial completion. The Gething has been on production since October 2004 and is currently producing at 20.2 10³ m³/d. The Cadotte has been experiencing liquid loading problems producing up the annulus. Commingled production is expected to maximize production and reserve recovery from all three zones. The three zones are sweet gas. Although these zones are not expected to have similar pressures sliding sleeves are in place 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 Cadotte (2206.0 – 2212.0 mKB), Falher D (2383.5 – 2388.5 mKB) and Gething (2646.0 - 2651.0 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 Cadotte 25 %, Falher D 40 % and Gething 35%. The allocation factors may be amended to reflect results of any future tests.

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RESOURCE CONSERVATION BRANCH

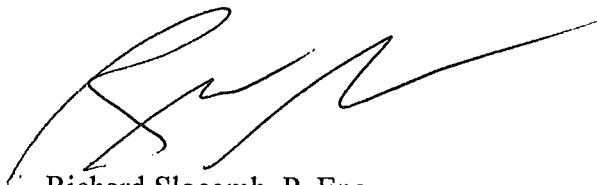
PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0301
Location: 6th Flr 1810 Blanshard St. Victoria BC

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

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,

A handwritten signature in black ink, appearing to read 'R. Slocomb', with a long horizontal flourish extending to the right.

Richard Slocomb, P. Eng.
Supervisor, Reservoir Engineering