



November 22, 2004

5170-2200/2505-59070-20
OGC – 04327

Dean Boyle, P.Eng.
Reservoir Engineering Consultant
Burlington Resources Canada Ltd.
PO Box 4365, Postal Station C
CALGARY AB, T2P 5N2

Dear Mr Boyle:

**RE: APPLICATION FOR COMMINGLED PRODUCTION APPROVAL
BRC HTR et al Kelly d-59-A/093-P-01; WA# 17130**

The OGC has reviewed your application dated October 8, 2004, for approval to commingle gas production from the Cadotte and Falher A formations in the subject well.

The Commission has designated the gas pools under application to be the Kelly Lake – Cadotte “G” and Falher A “B”. The Falher A is part of a very large multi-well pool which extends across the border into Alberta. The Falher A in the subject well has been on production since September 2004 and is currently producing at 36.0 10³ m³/d. The Cadotte is mapped as a two well pool. The subject well was tested at 29.0 10³ m³/d with rates dropping to 21.0 10³ m³/d by the end of the five day test. The Cadotte zone remains shut-in as its productive capability is below the critical lift rate. It is expected that commingled production will extend the productive life of the Cadomin zone and maximize recovery from both zones. Both zones are sweet gas. Although both zones do not have similar pressures a sliding sleeve is 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 (2224.5 – 2227.5 mKB) and Falher A (2344.0 – 2355.0 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 30 % and Falher A 70 %. 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
Copy 8**

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

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