



February 1, 2005

5170-2200/2505-59070-20
OGC – 05033

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 b-82-A/093-P-01; WA# 4400**

The OGC has reviewed your application dated January 21, 2005, 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 – Cadotte and Falher A “B”. The Falher A has been on production since November 1997 and has cumulatively produced 20.5 10⁶ m³ of gas. The Falher A currently produces intermittently at 8.0 10³ m³/d, due to liquid loading. Although the Cadotte has been completed it has never been on production as it showed no inflow upon stimulation. Plunger lift has been proposed to maximize production from the Falher A zone. Although no production contribution is expected from the Cadotte zone, commingled production is necessary to open the annulus for wellbore storage to drive the plunger lift system. It is expected that commingled production will maximize recovery from the Falher A zone. Both zones are sweet gas. As no recent pressure survey tests exist for either zone, it is difficult to determine whether the pressures will be similar. Therefore, a sliding sleeve will be 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 (2117.0 – 2121.5 mKB) and Falher A (2231.7 – 2233.9 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 0 % and Falher A 100 %. The allocation factors may be amended to reflect results of any future tests.
3. A current reservoir pressure of the Falher A zone is measured prior to commingling.
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

**Approval Letters to Industry
COMMINGLED PRODUCTION
Copy 8**

<input type="checkbox"/>	Wellfile (originals)
<input type="checkbox"/>	59070-20
<input type="checkbox"/>	Daily
<input type="checkbox"/>	Resource Revenue
<input checked="" type="checkbox"/>	R. Stefik
<input type="checkbox"/>	G. Farr
<input type="checkbox"/>	R Slocomb
<input type="checkbox"/>	D. Krezanoski

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