



December 15, 2005

5180-1420/2505-59070-20
OGC - 05359

Trevor Keller
Burlington Resources Canada Ltd.
2100 Bow Valley Square IV,
250 - 6th Avenue SW,
CALGARY, AB T2P 3H7

Dear Mr Keller:

**RE: APPLICATION FOR COMMINGLED PRODUCTION APPROVAL
BRC HTR KELLY d-48-G/93-P-01; WA# 16334**

The OGC has reviewed your application dated August 24, 2005, for approval to commingle gas production from Doe Creek and Falher A formations in the subject well.

The Commission has designated the gas pools under application to be the Kelly - Doe Creek "C" and Falher A "B" pools. The Doe Creek zone has limited production history and represents a new play in the Deep Basin, currently there are only eight producing wells across the entire area. Additionally this zone is extremely underpressured, with an expected initial reservoir pressure of 3650 kPa. The Falher A zone in this well is part of a very large multi-well pool and is currently producing at a rate of 37.0 10³ m³/d. A current estimated reservoir pressure for the Falher A pool, based on material balance analysis, is approximately 12,500 kPa. Both zones are sweet gas. As noted above, both zones do not have similar pressures; however a sliding sleeve is in place to enable segregation for the duration of any extended shut-in period or additional testing. It is expected that commingled production will maximize production and reserve recovery from the Doe Creek zone.

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 Doe Creek (1531.0 - 1535.0 mKB) and Falher A (2323.0 - 22329.0 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 Doe Creek 30 % and Falher A 70 %. The allocation factors may be amended to reflect results of any future tests.
3. An additional reservoir pressure and flow test will be obtained from the Doe Creek zone during the 2006/07 winter season.
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**

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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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