



April 14, 2004

5170-1500/2200-59070-20
OGC - 04137

Trevor Dublonko, EIT
Reservoir Engineer
Burlington Resources Canada Ltd.
PO Box 4365, Postal Station C
CALGARY AB T2T 5N2

Dear Mr Krobel:

**RE: APPLICATION FOR COMMINGLED PRODUCTION APPROVAL
BRC HTR et al Kelly a-59-I/93-P-01; WA# 15469**

The OGC has reviewed your application dated March 24, 2004, for approval to commingle gas production from the Dunvegan and Cadotte formations in the subject well.

Both wells appear to be single well pools containing sweet gas. Although reservoir pressures are not expected to be similar, the very tight nature of the Dunvegan formation mitigates any concerns regarding cross-flow during extended shut-in periods. Segregated production would restrict the Cadotte formation to flowing up the tubing, raising operational issues regarding potential hydrate formation. Commingled production is expected to alleviate these concerns.

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 Dunvegan (1424 – 1426 mKB) and Cadotte (1976 – 1982 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 Dunvegan 1 % and Cadotte 99 %. 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) 952-0311 or Richard Slocomb at (250) 952-0366.

Sincerely,

Peter Attariwala, P. Eng.
Supervisor
Reservoir Engineering

**Approval Letters to Industry
COMMINGLED PRODUCTION**

Copy 8

- Wellfile (originals)
- 59070-20
- Daily
- Resource Revenue
- R. Stefik
- G. Farr
- P.S. Attariwala
- D. Krezanoski
- RICHARD SLOCOMB

RESOURCE CONSERVATION BRANCH

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