



January 24, 2005

5170-2505/2800-59070-20
OGC - 05021

Dean Boyle, P.Eng.
Reservoir Engineering Consultant
Burlington Resources Canada Ltd.
2100 Bow Valley Square IV
250 - 6th Avenue SW
CALGARY, AB T2P 3H7

COMMINGLED PRODUCTION

Copy 8	Wellfile (originals)
	59070-20
	Daily
	Resource Revenue
	R. Stefik
	G. Farr
	XXXXXXXXXX
	D. Krezanoski
	RICHARD SLOCOMB

Dear Mr Boyle:

**RE: APPLICATION FOR COMMINGLED PRODUCTION APPROVAL
BRC HTR Union Kelly b-50-H/93-P-1; WA# 6301**

The OGC has reviewed your application dated January 5, 2005, for approval to commingle gas production from Falher 'A' and Cadomin formations in the subject well.

The Commission has designated the gas pools under application as the Kelly - Falher 'A' "B" and Cadomin pools. The Falher 'A' is mapped as part of a large multi-well pool, although pressure information indicates that the subject well and the well c-32-G/93-P-1 are behaving as a two well pool. The Falher A has been on production since November 1996 and is currently producing at 12.0 10³ m³/d on a very shallow decline. The Cadomin is part of the very large tight regional Cadomin pool in the Deep Basin and was completed and tested at 3.6 10³ m³/d and is currently suspended. Both zones are sweet gas, however there is a large pressure differential between the two zones. Burlington has committed to maintaining a sliding sleeve to enable segregation during periods of extended shut-in which should mitigate any concerns regarding cross-flow. Additionally the sliding sleeve will allow for segregated pressure testing to ensure optimal development of the Falher A pool. Therefore commingling of these two zones is expected to be beneficial.

We wish to advise you that your application to commingle production is hereby granted approval, under the authority of Section 41 of the *Drilling and Production Regulation*, subject to the following conditions being met:

1. Production from the Falher A (2307.5- 2313.0 mKB) and Cadomin (2742.0 - 2749.0 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 Falher A 80 % and Cadomin 20 %. 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.

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RESOURCE CONSERVATION BRANCH

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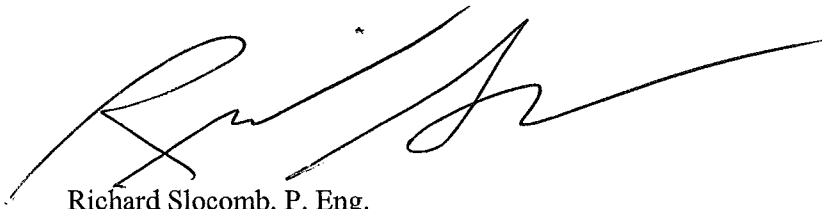
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Should you have any questions, please contact the undersigned at (250) 952-0366.

Sincerely,

A handwritten signature in black ink, appearing to read 'Richard Slocomb', written in a cursive style.

Richard Slocomb, P. Eng.
Supervisor
Reservoir Engineering