



May 26, 2004

5170-2700/2800-59070-20
OGC - 04181

Darryl Krobel
Deep Basin Engineering
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-03-I/93-P-01; WA# 14068**

The OGC has reviewed your application dated March 7, 2004, for approval to commingle gas production from the Gething and Cadomin formations in the subject well.

The Commission has designated the gas pools under application to be the Kelly - Gething "G" and Cadomin "D" pools. The Gething has been mapped as a single well pool while the Cadomin is thought to be part of a very extensive pool and currently has 22 wells assigned to the pool. The Gething zone is almost depleted while the Cadomin has never produced. While the Cadomin is expected to commence production at $24 \times 10^3 \text{m}^3/\text{d}$, within a few months rates are expected to drop dramatically, therefore commingled production approval is expected to maximize production and recovery from these two zones. Both zones are sweet gas. Although both zones do not have similar pressures Burlington has committed to maintaining a sliding sleeve 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 Gething (2386.6 - 2389 mKB) and Cadomin (2505.5 - 2515 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 Gething 35 % and Cadomin 65%. 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
- R SLOCOMB

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