

September 7, 2005	Approval Letters to Industry COMMINGLED PRODUCTION	
Kory Galbraith, P.Eng. Senior Operations Engineer Burlington Resources Canada Ltd.	Copy 8 Wellfile (originals) 59070-20 Daily	000 - 03240
PO Box 4365, Postal Station C CALGARY AB, T2T 5N2	Resource Revenue R. Stefik G. Farr	
Dear Mr Galbraith	R Slocomb D. Krezanoski	

RE: APPLICATION FOR COMMINGLED PRODUCTION APPROVAL BRC HTR et al Noel c-99-D/093-P-08; WA# 16248

The OGC has reviewed your application dated June 3, 2004, for approval to commingle gas production from the Cadotte and Cadomin formations in the subject well.

The Commission has designated the gas pools under application to be the Noel – Cadotte "S" and Cadomin. The Cadotte has been mapped as a two well pool and has been on production since November 2003 and is currently producing at 14.1 10^3 m³/d. Initially Cadotte production showed a very steep decline indicating limited reservoir size. However production has stabilized over the last 12 months indicating that this zones production is now being influenced by the tighter gas charged margins of the pool. Although the Cadotte has larger estimated recoverable reserves than originally anticipated, this pool is still considered small. The Cadomin is considered to be part of the large regional Cadomin pool. The Cadomin was put on production in November 2003 and produced for seven months prior to being shut-in due to liquid loading problems. Commingled production is expected to maximize production and recovery from these two zones. Both zones are sweet gas. Although both zones do not have similar pressures a sliding sleeve is 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 (1946.0 1952.0 mKB) and Cadomin (2541.0 2558.0 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 Cadotte 50 % and Cadomin 50 %. 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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Should you have any questions, please contact the undersigned at (250) 952-0366.

Sincerely,

Richard Slocomb, P. Eng.

Supervisor

Reservoir Engineering