



July 9, 2004

Approval Letters to Industry  
COMMINGLED PRODUCTION

00/2800/2850-59070-20  
OGC - 04219

Copy 9

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

RICHARD SLOCOMB

Bill Partridge, P.Eng.  
Foothills Exploration & Development  
Burlington Resources Canada Ltd.  
PO Box 4365, Postal Station C  
CALGARY, AB T2T 5N2

Dear Mr Partridge:

**RE: APPLICATION FOR INTERIM COMMINGLED PRODUCTION APPROVAL  
BRC HTR et al Ojay a-33-C/93-1-16; WA# 17628**

The OGC has reviewed your application dated June 18, 2004, for interim approval to commingle gas production from Bluesky, Cadomin and Nikinassin formations in the subject well.

The subject well is currently being drilled and it has been proposed to underbalance drill the Bluesky, Cadomin and Nikinassin zones together to minimize fluid invasion and damage to the fracture network. Imaging logs taken at an off-set well location d-57-C/093-I-16 indicates the potential for all three zones to be connected via two large fractures. However, Burlington has been unable to validate this theory with pressure data due to difficulties setting recorders in d-57-C. The Commission would like to see more conclusive evidence that all three zones are in communication prior to authorizing approval for commingled production. However, the Cadomin and Nikinassin zones have typically been commingled in this area in order to optimize production and recovery. 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 **interim** approval, under the authority of Section 41 of the *Drilling and Production Regulation*, subject to the following conditions being met:

1. Production from the Cadomin and Nikanassin formations may be commingled.
2. A production test must be completed to establish the AOF and initial reservoir pressure for both productive zones, and reports filed as per the requirements of Sections 84 and 95 of the *Regulation*.
3. A formal application for commingled production must be submitted with supporting test data (spinner survey), gas analysis and proposed allocation factors for production reporting both gas and liquids.
4. Should total well productivity from these two zones exceed a gas rate of 120 10<sup>3</sup>m<sup>3</sup>/d, individual zone flow and pressure tests may be required.
5. Formal approval for commingled production will not be authorized until all of the conditions above have been met.

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**RESOURCE CONSERVATION BRANCH**

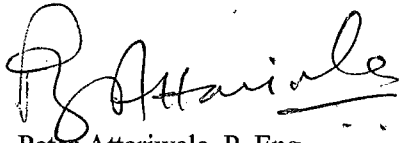
PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0301  
Location: 6<sup>th</sup> Flr 1810 Blanshard St. Victoria BC

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Should you have any questions, please contact the undersigned at (250) 952-0311 or Richard Slocomb at (250) 952-0366.

Sincerely,

A handwritten signature in cursive script, appearing to read "P. Attariwala". The signature is written in black ink and is positioned above the printed name.

Peter Attariwala, P. Eng.  
Supervisor  
Reservoir Engineering