



December 28, 2005

9030-59070-20  
OGC – 05362

**RE: COMMINGLED PRODUCTION – INTERIM APPROVAL  
DEEP BASIN AREA  
PADDY, CADOTTE, NOTIKEWIN, FALHER, BLUESKY, GETHING,  
CADOMIN AND NIKANASSIN ZONES**

The OGC, in participation with a Best Practices Working sub-Group, has examined the merits of a streamlined process for commingled well completions in the Deep Basin area. The OGC recognizes the benefits of an area based commingled production approval for multiple gas bearing formations in this unique region, while ensuring the appropriate level of data is gathered to foster and monitor continued development. Most subject zones are characterized as either extensive, low permeability sands or containing pools of limited size. All zones in this approval produce sweet gas. Commingled production is expected to maximize production and resource recovery from these zones.

Agreement has been reached on many issues. However, continued work on a final guideline, and internal process and IT changes to accommodate this workflow, will not allow full implementation prior to March 31, 2006.

In order to benefit from the work completed, field activity may begin using the agreed principles. Therefore, an interim approval for commingled production is hereby granted under the authority of Section 41 of the *Drilling and Production Regulation*, subject to the following conditions:

1. The area of approval shall consist of:

- 93-I-16 – Blocks H - K
- 93-P-01 – Blocks A - L
- 93-P-02 – Blocks A - C, F - L
- 93-P-06 – Blocks A, B, G - J
- 93-P-07 – Blocks A - L
- 93-P-08 – Blocks A - L
- 93-P-09 – Blocks A - L
- 93-P-10 – Blocks A - L
- 93-P-11 – Blocks A - L

**Approval Letters to Industry  
COMMINGLED PRODUCTION  
Copy 8**

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

2. The OGC document dated December 20, 2005, "Commingled Production – Interim Guide, Deep Basin Area" will provide interim guidance for commingled completion without prior individual approval from the OGC. This document further details testing and reporting requirements.

**RESOURCE CONSERVATION BRANCH**

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3. The form “Notice of Commencement or Suspension of Operations” (BC-11) must be submitted for each commingled zone in a wellbore.
4. Gas, water and condensate production from a commingled well must be reported on the Ministry of Small Business and Revenue BC S-1 and BC S-2 forms to the deepest (measured depth) active well event (UWI) of the commingled group of zones in the wellbore.
5. A “notification” must be submitted to the OGC for each commingled well, within 30-days of final completion operations, and must include;
  - a. a schematic diagram of the wellbore completion
  - b. flow data summary
  - c. production allocation factors for each of the commingled zones
6. Where the interim guidelines do not provide sufficient clarification for an individual case, OGC Resource Conservation Branch staff should be contacted for a decision prior to completing the well in a commingled state. In some cases, a formal application may be required.
7. This approval may be modified at a later date if deemed appropriate through a change in circumstances.

Normal gas well spacing and target restrictions specified under Section 10 of the *Regulation* continue to apply, unless otherwise approved under a Good Engineering Practice project approval granted under Section 101.

Sincerely,



Richard Slocomb, P.Eng.  
A/Director  
Resource Conservation Branch