



August 29, 2003

2700-2400/2900-59070-20
OGC – 03236

Rod Hume, P.Eng.
BC Asset Team
Dominion Exploration Canada Ltd.
3200, 605 – 5th Avenue S.W.
CALGARY AB T2P 3H5

**Approval Letters to Industry
COMMINGLED PRODUCTION**

Copy 8

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

Dear Mr. Hume:

**RE: COMMINGLED PRODUCTION APPROVAL
DECL ET AL N BUICK a-66-K/94-A-14; WA# 13378**

The OGC granted an interim approval on July 4, 2003 to commingle gas production from the Gething and Spirit River zones in the subject well. Commission staff have now reviewed the required final application, dated August 20, 2003, including additional well test data.

The OGC designates the zones as the Buick Creek North, Dunlevy “F” and Spirit River “A” pools.

As noted in your application, gas compositions and reservoir pressures are dissimilar for the two zones, Spirit River sweet virgin pressure gas versus Dunlevy sour gas at lower comparative pressure. However, commingled completion should allow the Spirit River zone to be completed and produced in an economic manner, thereby increasing well gas recovery. We understand that attempts to configure the well to allow future zonal isolation have been unsuccessful, however, as this well is intended as a fuel gas source, extended shut-in periods allowing subsurface cross-flow are not expected to be an issue. Therefore condition #3 of the interim approval, requiring a sliding sleeve completion, is rescinded.

We wish to advise that your application to commingle production from these pools 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 Spirit River (912.0 – 926.0 mKB) and Dunlevy (1170.0 – 1174.0 mKB) formations may be commingled.
2. Gas, condensate and water production should be allocated on the Ministry of Provincial Revenue BC S-1 and BC S-2 forms between the two formations on the basis of proposed gas analysis test results. 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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ENGINEERING AND GEOLOGY BRANCH

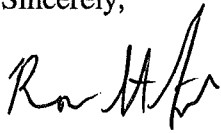
PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0291
Location: 6th Flr 1810 Blanshard St. Victoria BC

Headquarters: #200, 10003 110th Ave, Fort St. John BC V1J 6M7 Tel: (250) 261-5729 Fax: (250) 261-5744
www.ogc.gov.bc.ca

Please note that the Spirit River zone in the subject well is off-target for gas production. A penalized daily gas allowable (DGA) of $17.7 \text{ e}^3\text{m}^3$ is attached, based on the minimum unadjusted DGA and the calculated off-target penalty factor. Waiver of the off-target penalty may be granted if control of the affected rights to the east can be demonstrated, or upon successful application for new pool discovery.

Should you have any questions, please contact the undersigned at (250) 952-0311 or Ron Stefik at 952-0310.

Sincerely,



For

P. S. Attariwala
Supervisor
Reservoir Engineering

Attachment



OIL AND GAS COMMISSION

Mailing Address:
Engineering and Geology Branch
PO BOX 9329 STN PROV GOV'T
VICTORIA BC V8W 9N3

Location:
1810 Blanshard St - 6th Fl
Victoria BC V8T 4J1
Phone: (250) 952-0302
FAX: (250) 952-0291

APPLICATION FOR DAILY GAS ALLOWABLE (DGA)

Individual Well

Form must be submitted under the authority of the Petroleum and Natural Gas Act R.S.B.C. 1996, c. 361, Drilling and Production Regulation, s.88, to the Oil and Gas Commission, at the address noted above. Information collected on this form will be used for public record in accordance with s.57 of the Drilling and Production Regulation.

[X] Initial Application

[] Revision No. _____

Well Name DECL et al N Buick a-66-K/94-A-14 Well Authorization No. 13378

Field Buick Creek North Pool Spirit River "A"

Table with columns: Factors, Units, Owner's Calculations (Values Obtained from, Values Used in This Calculation), COMMISSION USE ONLY (Branch Calculations). Rows include Depth to top gas pay, Depth to bottom gas pay, Assigned area, Average net pay thickness, Average net porosity, Average water saturation, Initial pool pressure at MPP, Formation temperature, Initial supercompressibility factor, Recovery factor, and Unadjusted Daily Gas Allowable calculation.

Name, Position, Signature, Company, Date, Phone No., FAX No.

APPROVAL (for commission use only)

Off-target penalty factor 0.2954 Daily gas allowable 17.7 10^3m^3 (minimum UDGA is 60.0 10^3m^3 in accordance with Section 1 of the Drilling and Production Regulation)

Date Effective August 20, 2003

Field Buick Creek North Pool Spirit River "A"

Approval Date August 29, 2003 [Signature]