



July 28, 2004

Steven Burnside, P.Tech.
BC Asset Team
Dominion Exploration Canada Ltd.
2000, 400 – 3rd Avenue S.W.
CALGARY AB T2P 4H2

Dear Mr. Burnside:

**RE: INTERIM COMMINGLED PRODUCTION APPROVAL
DECL CACHE 02-33-088-22 W6M; WA# 5345**

2920-4100/4800-59070-20

OGC – 04227

Approval Letters to Industry
COMMINGLED PRODUCTION

Copy 9

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

The OGC has reviewed your application dated July 6, 2003, for temporary approval to commingle gas production from the Baldonnel and Halfway zones in the subject well.

The Commission has designated these gas pools as the Cache Creek – Baldonnel “A” and Halfway “A”.

The Halfway “A” pool has a long production history as a gas pool. The Halfway zone in the subject well has been on production for over 20 years and is approaching the critical rate for lifting liquids (8-9 10³m³/d). The Baldonnel is a multi-well pool that has been on production since October 1996. Dominion would like to re-complete the Baldonnel in the subject well and subsequently commingle production with the depleted Halfway zone. Initial production rates from the Baldonnel formation in this area have been between 10.0 10³m³/d and 90.0 10³m³/d and as such final approval for commingled production will depend on final gas rates from this zone. If a low gas rate is encountered in the Baldonnel zone, commingled production is expected to maximize production and recovery from these two zones.

Gas compositions for these two zones are similar, both being sour whereas reservoir pressures are dissimilar, with a depleted Halfway zone and near virgin pressures expected in the Baldonnel. The proposed completion incorporating a sliding sleeve arrangement will allow future zonal isolation, for production testing and avoidance of subsurface cross-flow.

We wish to advise that your application to commingle production from these pools is hereby granted **interim** approval, under the authority of Section 41 of the *Drilling and Production Regulation*, subject to the following conditions:

1. A production test must be completed to establish the AOF, and initial reservoir pressure for the Baldonnel zone, and reports filed as per the requirements of Sections 84 and 95 of the Regulation.
2. A formal application for commingled production must be submitted with supporting test data, gas analysis and proposed allocation factors for production reporting.
3. Due to the corrosive nature of the fluids expected in the Baldonnel zone, approval for the final downhole tubing configuration will be required from the OGC – Operations Engineering Branch in Fort St. John.

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RESOURCE CONSERVATION BRANCH

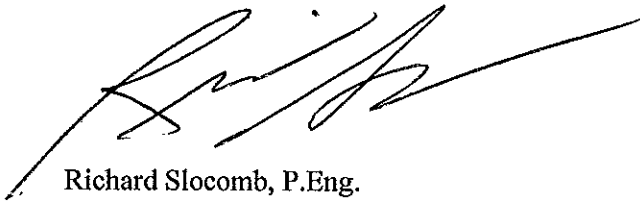
PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0301
Location: 6th Flr 1810 Blanshard St, Victoria BC

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

4. Formal approval for commingled production **will not** be authorized until all of the conditions above have been met.
5. Should productivity from the Baldonnel zone exceed a gas rate of $45 \text{ } 10^3 \text{ m}^3/\text{d}$, further individual zone production may be required to establish the acceptability of commingled production.

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

Sincerely,



Richard Slocomb, P.Eng.
Sr. Reservoir Engineer

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