



March 8, 2002

9000-2800/2850-59070-20
OGC - 02050

Terry A. Schneider, P.Eng
Principal Engineer
El Paso Oil & Gas Canada, Inc.
7th Floor
150 - 6th Avenue S.W.
CALGARY AB T2P 3Y7

Dear Mr. Schneider:

**RE: APPLICATION FOR COMMINGLED PRODUCTION
EL PASO OJAY d-72-D/93-I-16; WA# 14164**

The Commission has reviewed your application dated February 26, 2002, requesting permission to commingle gas production from the Cadomin and Nikanassin zones encountered in the subject well.

The Commission has designated the gas pools under application to be the Other Areas - Cadomin and Nikanassin. Gas compositions should be similar for the two pools, containing mainly sweet gas. Reservoir pressure tests indicate that zones are at similar virgin pressures. Commingled completion is expected to increase recoverable gas reserves from marginal zones.

We wish to advise you that your application to commingle production is hereby approved, under the authority of section 41 of the *Drilling and Production Regulation*, subject to the following conditions:

1. Production from the Cadomin (3152.0-3159.0 mKB) and Nikanassin (3255.0-3536.0 mKB) zones 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 on the basis of Cadomin 30% and Nikanassin 70%.
3. This approval may be modified at a later date if deemed appropriate through a change in circumstances.

Please note that this well is located off-target for gas production and rights are currently held under a Drilling License. The affected gas spacing area to the east must be included with lease selection in order to waive the off-target penalty, under section 10(4) of the *Regulation*. *2002/03/13*

Sincerely,

Peter Attariwala, P.Eng.
Supervisor
Reservoir Engineering

**Approval Letters to Industry
COMMINGLED PRODUCTION**

Copy 8

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

*Carla Meinovic Handman @ El Paso
lease selection made to PEM,
entire DL as one PNG lease.
no OT penalty waived!*

ENGINEERING AND GEC
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Headquarters: #200, 10003 110th Ave, Fort St. John BC V1.

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261-5744