

July 21, 1999

8900-2600/4610-59070-20 OGC-990414

Mr. Darrell Wardberg, P. Eng. Area Engineer, British Columbia Encal Energy Ltd. 1800, 421 - 7th Ave SW Calgary AB T2P 4K9

Dear Mr. Wardberg:

RE: APPLICATION FOR COMMINGLED PRODUCTION ENCAL ZAREMBA a-3-A/94-H-11; WA# 11735

The Commission has reviewed your application dated June 25, 1999, requesting permission to commingle gas production from the Bluesky and Charlie Lake 'A' Marker zones encountered in the subject well.

During a review of the application it was noted that an initial reservoir pressure measurement was not taken on the 'A' Marker zone, in contravention of section 95 of the *Drilling and Production Regulation*. Please ensure that such an infraction does not occur in the future.

The Commission has designated the gas pools in this well to be Bluesky "E" and 'A' Marker/Base of Lime "I" of the Zaremba field. Reservoir pressure and fluid compositions are similar for the two pools. Commingling would increase the producing life of the well, thereby increasing recoverable reserves. We wish to advise you that your application to commingle production from these pools is hereby approved, under the authority of Section 41 of the *Drilling and Production Regulation*, subject to the following conditions:

- 1. Production from the Bluesky "E" (1058.7 -1061.0 mKB) and 'A' Marker/Base of Lime "L" (1110.5 1111.5 mKB) pools may be commingled.
- 2. Gas, condensate and water production should be allocated on the Ministry of Energy and Mines BC S-1 and BC S-2 forms on the basis of Bluesky 50% and 'A' Marker/Base of Lime 50%.
- 3. This approval may be modified at a later date if deemed appropriate through a change in circumstances.

Sincerely	Approval Letters to Industry COMMINGLED PRODUCTION
Bou van Oort, P. Eng.	Copy Wellfile (originals) 59070-20 Daily Resource Revenue R. Stefik
Director Engineering and Geology Branch	G. Farr Email D. Krezanoski
ENGINEERING AND GEOLOGY BRANCH PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Location: 6 th FIr 1810 Blanshard St. Victoria BC	P.S. Attariwala