



OIL AND GAS COMMISSION

October 13, 1999

8900-2600/4610-59070-20
OGC-990483

Mr. Jason Wilhelm
Junior Engineer
Fekete Associates Inc.
2000, 540 - 5th Ave SW
Calgary AB T2P 0M2

Dear Mr. Wilhelm:

**RE: APPLICATION FOR COMMINGLED PRODUCTION
PARA ET AL ZAREMBA c-56-E/94-H-7; WA# 9147**

The Commission has reviewed your application dated August 18, 1999, requesting permission to commingle gas production from the Bluesky and Charlie Lake 'A' Marker and Halfway zones encountered in the subject well.

The Commission has designated the pools in this well to be Bluesky "C", 'A' Marker/Base of Lime "C" and Halfway "D" of the Zarembo field. Based on the test/production data, it is concluded that Halfway "D" in the well has a thin oil leg whereas both Bluesky "C" and 'A' marker/Base of Lime "C" are gas pools. Reservoir pressure and fluid compositions for the Bluesky and 'A' Marker/Base of Lime are similar. Commingling of these two zones 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 gas 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 "C" (1145.0 - 1149.5 mKB) and 'A' Marker/Base of Lime "C" (1214.5 - 1217.0 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.

As the Halfway "D" pool is considered to have a thin oil leg, commingling cannot be approved from this pool. The Halfway could be produced as a gas well without an allowable for an initial 90-day period in order to acquire production data. However, based upon its performance, an oil or gas allowable may subsequently be required.

Sincerely,

Bou van Oort, P. Eng.
Director
Engineering and Geology Branch

ENGINEERING AND GEOLOGY BRANCH

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