



October 7, 2008

3450-2600/7450-59070-20

Josephine Nau
Production Manager
Husky Oil Operations Limited
707 - 8th Avenue S.W.
Box 6525, Station D
Calgary AB T2P 3G7

Dear Ms. Nau:

**RE: COMMINGLED PRODUCTION APPROVAL
HUSKY EKWAN b-32-C/94-I-09; WA# 22003**

Commission staff have reviewed the supplemental application dated July 28, 2008 requesting approval to commingle gas production from the Ekwan field - Bluesky "A" and Elkton "A" pools. An interim commingled production approval was issued for this well on March 4, 2008.

The Bluesky and Elkton are both shallow multi-well pools, with commingled production approval previously granted for seven locations. The base of the Bluesky porosity and the top of the Elkton porosity are separated by only a few metres of tight shale. A commingled production test was performed on these two zones indicating very low productivity, with a final flow rate of approximately $4.0 \times 10^3 \text{ m}^3/\text{d}$. Commingled production is expected to maximize production and recovery from these two zones. Both zones contain sweet gas at similar reservoir pressures.

Commingled production from these formations is hereby granted approval, under the authority of Section 41 of the *Drilling and Production Regulation*, subject to the following conditions being met:

1. Production from the Bluesky (386.5 – 390.5 mKB) and Elkton (393.5 – 395.8 mKB) zones may be commingled.
2. Gas, condensate and water production should be allocated on the Ministry of Small Business and Revenue BC S-1, BC S-2, and BC-08 forms on the basis of Bluesky 75 % and Elkton 25%.
3. This approval may be modified at a later date if deemed appropriate through a change in circumstances.

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

Sincerely,

Richard Slocomb, P.Eng.
Supervisor, Reservoir Engineering

RESOURCE CONSERVATION

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