



April 30, 2007

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 d-86-K/94-I-08; WA# 22033**

Commission staff have reviewed the supplemental application dated April 18, 2007 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 February 2, 2007.

The Bluesky and Elkton are both shallow multi-well pools, with commingled production approval previously granted for six locations. The base of the Bluesky porosity and the top of the Elkton porosity are separated by only a few metres of tight shale. Inflow gas rates from the two zones have been estimated at approximately the same value of $7.7 \times 10^3 \text{m}^3/\text{d}$. Commingled production is expected to maximize production and recovery from these two zones. Both zones contain sweet gas at similar reservoir pressures.

Condition #1 of the interim commingled production approval, measurement of individual reservoir pressures, was not met due to insufficient shut-in times, however under the circumstances the OGC is still willing to accept a combined initial flow test for this well. 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 (407.5 – 411.0 mKB) and Elkton (414.5 – 417.0 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 and BC S-2 forms on the basis of Bluesky 50 % and Elkton 50%.
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) 952-0310.

Sincerely,

Ron Stefik, ASCT
Sr Reservoir Engineering Technologist

RESOURCE CONSERVATION BRANCH

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