



February 2, 2007

3450-2600/7450-59070-20

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

Dear Ms. Nau:

**RE: COMMINGLED PRODUCTION, INTERIM APPROVAL
HUSKY EKWAN c-01-C/94-I-09; WA# 22008
HUSKY EKWAN d-86-K/94-I-08; WA# 22033**

The Oil and Gas Commission has reviewed the application dated January 29, 2007, and earlier related correspondence, requesting approval to commingle gas production from the Bluesky and Elkton zones in the subject wells. The Commission designates the gas pools under application to be the Ekwan field - Bluesky "A" and Elkton "A" pools.

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. The close proximity of these two zones can result in both zones being commingled behind casing after fracture stimulation. Commingled production is expected to maximize production and recovery from these two zones. Both zones contain sweet gas at similar reservoir pressures.

We wish to advise that your application to commingle production from the Bluesky and Elkton formations is hereby granted **interim** approval, under the authority of Section 41 of the *Drilling and Production Regulation*, subject to the following conditions being met:

1. The measurement and reporting of the initial reservoir pressure for each zone, as required per Section 95(1) of the *Regulation*.
2. A measurement of the absolute open flow potential of the commingled zones may be filed in lieu of testing individual zones, under Section 84 of the *Regulation*.
3. A supplemental application for commingled production must be submitted, with the results of completion operations, and proposed allocation factors for production reporting.

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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