



September 17, 2004

4650
3450-2600/7450-59070-20
OGC - 04275

Alan Drew-Brook
Exploitation Engineer
Husky Oil
707 8th Avenue S.W.
Box 6525, Station D
Calgary AB T2P 3G7

**Approval Letters to Industry
COMMINGLED PRODUCTION**

Copy 8

- Wellfile (originals)
- 59070-20
- Daily
- Resource Revenue
- R. Stefik
- G. Farr
- P.S. Attariwala
- D. Krezanoski

Dear Mr. Drew-Brook:

**RE: COMMINGLED PRODUCTION APPROVAL
HUSKY HAY a-026-C/094-I-09; WA# 17108**

The Oil and Gas Commission has reviewed your application dated July 28, 2004, requesting approval to commingle gas production from the Bluesky and Elkton zones in the subject well. The Commission has designated the gas pools under application to be the Bluesky "A" and Elkton "A" pools.

This well was part of a five well pool application for commingled production. The base of the Bluesky porosity and the top of the Elkton porosity are separated by only a couple of metres of tight shale. Although close proximity of these two zones can result in both zones being commingled behind casing a tracer log indicated that both fracture stimulations were likely contained within their respective zones. The Bluesky was tested at a rate of 23.0 10³m³/d while the Elkton flowed at 21.0 10³m³/d. Although the other four wells within this pool were granted commingled production approval, this well showed some of the highest test rates from both zones. The Commission feels that segregated production from this well will provide Husky the opportunity to gather valuable data regarding production profiles and pool pressure data. As such the Commission can not at this time approve your request for commingled production.

Please note that the Bluesky and Elkton zones are currently held under DL 54323 please ensure that a Petroleum and Natural Gas Lease selection is made prior to any production.

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

Sincerely,

Richard Slocomb, P. Eng.
Supervisor, Reservoir Engineering

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