



April 5, 2004

0800-4100/4800-59070-20
OGC - 04125

Felix Kwan, P.Eng.
Reservoir Engineer
Jedney Development and Operations Team
Petro-Canada Oil and Gas
P.O. Box. 2844
Calgary AB T2P 3E3

Dear Mr. Kwan:

**RE: APPLICATION FOR COMMINGLED GAS PRODUCTION
BEG FIELD - BLUESKY, BALONNEL AND HALFWAY FORMATIONS**

Thank you for meeting with OGC staff on March 23, 2004 to discuss issues related to the subject commingling application. The Commission has reviewed your application dated March 25, 2004 requesting permission to commingle gas production from the Bluesky, Baldonnel and Halfway zones, for a portion of the area specified in the Good Engineering Practice (GEP) Approval 69-06-008 (Amendment #1), issued August 28, 2003, for portions of the Beg Halfway "A" & "B" pools.

The Commission has designated the gas pools under application to be the Beg Baldonnel "A" and Halfway "A" pools. Currently there is only one producing Bluesky well in the subject area.

The Halfway "A" is a mature, highly depleted, multi-well gas pool. The Baldonnel "A" pool is a heterogeneous multi-well reservoir with intermittent pockets of good porosity and permeability. Gas compositions are similar for the two zones, both being sour. Reservoir pressures for the Baldonnel and Halfway are expected to be similar, however, pool heterogeneity have yielded near virgin pressures in some recently completed wells. Commingled completions have previously been approved for six wells producing from these pools, to allow the typically marginal Baldonnel and Halfway zones to be produced economically, thereby increasing gas recovery. The proposed completion, incorporating a sliding sleeve and down hole check-valve, will allow for zonal segregation during periods of extended shut-in. Due to the lack of information on the Bluesky potential in the area the Commission cannot approve commingled production on a field basis at this time.

We wish to advise you that your application to commingle production from the Baldonnel "A" and Halfway "A" pools is hereby approved in-principle, under the authority of Section 41 of the *Drilling and Production Regulation*, subject to the following conditions:

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RESOURCE CONSERVATION BRANCH

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0291
Location: 6th Flr 1810 Blanshard St. Victoria BC

1. Production may be commingled from newly drilled and/or completed wells within the Beg Baldonnel "A" and Halfway "A" pools contained within a portion of the area defined in GEP Approval 69-06-008 (Amendment #1);
94-G-1 Block B - units 78, 79, 88, 89, 98-100
Block C - unit 91
Block F - units 1, 11-13, 21-23, 31-33, 41-43, 52-55, 62-65, 72-75, 82-85, 94-97
Block G - units 8-10, 18-20, 28-30, 40, 50
Block K - units 4-7, 16-19, 26-29.
2. Commingled production within the gas spacing area consisting of units 78, 79, 88, 89 of Block B/94-G-1 will require the applicant to seek a waiver of objection from the off-setting operator.
3. A production test must be completed to establish the AOF and initial reservoir pressure for each productive zone, and reports filed as per the requirements of Sections 84 and 95 of the *Regulation*.
4. A formal application for commingled production must be submitted with supporting test data, gas analysis and proposed allocation factors for production reporting both gas and liquids.

If you have any questions, please contact the undersigned at (250) 952-0311 or Richard Slocomb at (250) 952-0366.

Sincerely,



Peter Attariwala, P. Eng.
Supervisor,
Reservoir Engineering

Approval Letters to Industry
GEP, SWD, CONCURRENT PROD,
PRESSURE MAINTENANCE,
WATERFLOOD, ETC.

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<input type="checkbox"/>	Wellfile (originals)
<input type="checkbox"/>	59240
<input type="checkbox"/>	Daily
<input type="checkbox"/>	Resource Revenue
<input type="checkbox"/>	S. Chicorelli
<input type="checkbox"/>	R. Stefik
<input type="checkbox"/>	G. Farr
<input type="checkbox"/>	P. Attariwala
<input type="checkbox"/>	R. Slocomb
<input type="checkbox"/>	D. Krezanoski