



OIL AND GAS COMMISSION

August 5, 2005

5850-4100/4800-59070-20

OGC – 05224

Tim J. Wollen
Manager, Production
Ketch Resources Ltd.
300, 440 – 2nd Ave S.W.
CALGARY AB, T2P 5E9

Dear Mr. Wollen:

**RE: APPLICATION FOR COMMINGLED PRODUCTION APPROVAL
KRL MARTIN d-13-E/94-H-06; WA# 4656**

The OGC has reviewed your application dated July 27, 2005 for approval to commingle gas production from the Martin field Baldonnel “M” and Halfway “B” pools completed in the subject well.

The Baldonnel “M” is a single well pool, the Halfway “B” produced from 3 wells, both pools have reached a significant state of depletion. The subject well has encountered liquid loading problems from both zones and is currently not producing. It is expected that commingled production from both zones will provide a sufficient rate to lift produced water and re-commence production, thereby extending the productive life of both zones to maximize reserve recovery.

We wish to advise you that your application to commingle production from these zones is hereby granted approval, under the authority of Section 41 of the *Drilling and Production Regulation*, subject to the following conditions:

1. Production from the Baldonnel (1152.0 – 1165.0 mKB) and Halfway (1278.0 – 1283.5 mKB) formations may be commingled.
2. Gas, water and condensate production should be allocated on the Ministry of Provincial Revenue BC S-1 and BC S-2 forms on the basis of Baldonnel 50 % and Halfway 50 %. The allocation factors may be amended to reflect results of any future tests.
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 G. Stefik
Sr. Reservoir Engineering Technician

RESOURCE CONSERVATION BRANCH

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