



OIL AND GAS COMMISSION

May 10, 2006

5850-2600/4100-59070-20  
OGC - 06181

Brent J. McGillivray, P. Eng.  
Sr. Exploitation Engineer  
Ketch Resources Trust  
Suite 300, 440 - 2 Avenue SW  
Calgary AB T2P 5E9

Dear Mr. McGillivray:

**RE: APPROVAL FOR COMMINGLED PRODUCTION  
KRL MARTIN d-95-D/94-H-6; WA# 19928**

The Commission has reviewed your application dated May 8, 2006 for approval to commingle gas production from the Bluesky and Baldonnel zones encountered in the subject well.

The Commission has designated the gas pools under application to be the Martin - Bluesky "K" and Baldonnel "A". The Bluesky "K" pool has been delineated by one oil and 6 gas-cap wells whereas the Baldonnel "A" is a large multi-well pool. The affected gas spacing area of the well is located within the approved area of a Concurrent Production scheme for the Martin - Bluesky "K" pool.

The well was drilled and completed in November 2005. Following perforations, the Baldonnel was first acidized and then fracture stimulated and tested. The Bluesky was perforated, fracture stimulated and tested. The Bluesky zone is currently capable of 8 10<sup>3</sup> m<sup>3</sup>/d whereas the Baldonnel zone is capable of only 2 10<sup>3</sup> m<sup>3</sup>/d. An approval to commingle the Bluesky and Baldonnel zones in the offsetting well KRL Martin b-96-D/94-H-6 (WA 11913) was granted on February 28, 2001. Reservoir pressures and gas compositions are expected to be similar for the two zones. Commingled completion should allow marginal Baldonnel zone to be produced, thereby maximizing gas 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 Bluesky (1100.0-1112.0 mKB) and Baldonnel (1141.5-1145.0 mKB) formations 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 75% and Baldonnel 25%. The allocation factors may be amended to reflect the results of any future tests.
3. A segregated reservoir pressure must be obtained from the Baldonnel prior to December 31, 2006 or once conditions allow access.
4. This approval may be modified at a later date if deemed appropriate through a change in circumstances.

Sincerely,

Richard Slocomb, P. Eng.  
Supervisor, Reservoir Engineering

**Approval Letters to Industry  
COMMINGLED PRODUCTION  
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<input type="checkbox"/>	Wellfile (originals)
<input type="checkbox"/>	59070-20
<input type="checkbox"/>	Daily
<input type="checkbox"/>	Resource Revenue
<input type="checkbox"/>	R. Stefik
<input type="checkbox"/>	G. Farr
<input type="checkbox"/>	R Slocomb
<input type="checkbox"/>	D. Krezanoski

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