



March 18, 2004

6020-2400/2600-59070-20  
OGC - 04107

Bill Montgomery  
Consulting Engineer  
Pengrowth Corporation  
2900, 111 - 5<sup>th</sup> Avenue S.W.  
CALGARY AB T2P 3Y6

Dear Mr Montgomery:

**RE: APPLICATION FOR COMMINGLED PRODUCTION APPROVAL**  
**Penngrowth W Milligan d-92-F/94-H-02; WA# 8922**

The OGC has reviewed your application dated March 7, 2004, for approval to commingle gas production from the Notikewin and Bluesky formations in the subject well.

The Commission has designated the gas pools under application to be the Milligan West - Notikewin "A" and the Bluesky has yet to be evaluated and assigned to a pool.

The Notikewin "A" pool is a single well pool with a very small aerial extent. The Bluesky tested at  $5 \times 10^3 \text{ m}^3/\text{d}$  but has never been on production. Both zones have very low productivity and as such commingled production is expected to allow the Notikewin to continue flowing gas and the Bluesky to start producing; thereby increasing recoverable gas. Both zones are sweet gas. Although both zones are not expected to have similar pressures Pengrowth has committed to installing a sliding sleeve to enable segregation for the duration of any extended shut-in period.

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 Notikewin (791 - 794 mKB) and Bluesky (1024- 1026 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 Notikewin 75% and Bluesky 25 %. 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) 952-0311 or Richard Slocomb at (250) 952-0366.

Sincerely,

Peter Attariwala, P. Eng.  
Supervisor  
Reservoir Engineering

**COMMINGLED PRODUCTION**  
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Wellfile (originals)
59070-20
Daily
Resource Revenue
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**RESOURCE CONSERVATION BRANCH**

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