



March 9, 2005

undersigned at (250) 952-0366 6800-4100/4800-59070-20

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

Approval Letters to Industry
COMMINGLED PRODUCTION

Copy 8

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

Dear Mr. Kwan:

RE: COMMINGLED PRODUCTION APPROVAL
PC Beg c-20-G/94-G-1; WA# 17839

(250) 952-0366 Fax: (250) 952-0263
Victoria BC

The Oil and Gas Commission has reviewed your application dated February 14, 2005, requesting approval to commingle gas production from the Beg – Baldonnel “A” and Halfway “A” pools in the subject well.

As noted in your application, the subject well is contained within the boundaries of the commingled production approval in-principle area, granted April 5, 2004. Deliverability from the Baldonnel and Halfway zones in the subject well are estimated to be 23.0 10³ m³/d and 21.0 10³ m³/d, respectively. The anticipated pressures from these two zones are significantly different with the Baldonnel at near virgin pressure of 10, 880 kPa, while the Halfway is at a depleted pressure of 5, 936 kPa. However, the proposed completion, incorporating a sliding sleeve and down hole check-valve, will allow for zonal segregation during periods of extended shut-in, thus mitigating concerns with respect to potential cross-flow. Commingled production is expected to maximize recovery from both zones.

We wish to advise you that your application to commingle production from these pools 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 (1335.0-1379.0 mKB) and Halfway (1554-1597.0 mKB) zones may be commingled.
2. Gas, condensate and water production should be allocated on the Ministry of Provincial Revenue BC S-1 and BC S-2 forms on the basis of Baldonnel 40 % and Halfway 60%.
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) 952-0366.

Sincerely,

Richard Slocomb, P. Eng.
Supervisor,
Reservoir Engineering

ENGINEERING AND GEOLOGY BRANCH

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