



October 19, 2006

0800-4100/4800-59070-20

Jennifer Rabb, E.I.T.
Production Engineer
Petro-Canada Oil and Gas
P.O. Box. 2844
Calgary AB T2P 3E3

Dear Ms. Rabb:

RE: COMMINGLED PRODUCTION APPROVAL
PC Beg c-21-F/94-G-1; WA# 17841

The Oil and Gas Commission has reviewed your application dated September 29, 2006, requesting approval to commingle gas production from the Beg – Baldonnel “A” and Halfway “A” pools in the subject well.

The subject well is contained within the boundaries of the commingled production approval in-principle area, granted April 5, 2004. The Halfway zone in the subject well has cumulatively produced 4.6×10^6 m³ of gas and is currently producing at 5.0×10^3 m³/d. The Baldonnel zone tested at 3.3×10^3 m³/d after perforating and acidizing and has never been on production. The reservoir quality in the Baldonnel zone is extremely poor and the low flowing pressures during well testing suggest that production from this zone will decline rapidly and should have minimal contribution to the commingled gas stream. 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 (1423.5-1448.0 mKB) and Halfway (1694.9 – 1729.1 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 15 % and Halfway 85%.
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.
Supervising Reservoir Engineer

RESOURCE CONSERVATION BRANCH

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