



April 11, 2005

3300-2700/4535-59070-20
OGC - 05121

Max Vorobiev, P. Eng.
Exploitation Engineer
Progress Energy Ltd.
Suite 1400, 440 - 2nd Avenue S.W.
CALGARY, AB T2P 5E9

Dear Mr. Vorobiev:

**RE: APPLICATION FOR COMMINGLED PRODUCTION
PROGRESS CURRANT d-1-D/94-A-16; WA# 17785**

The Commission has reviewed your application dated February 7, 2005 requesting permission to commingle gas production from the Gething and Boundary Lake zones encountered in the subject well.

The Commission has designated the gas pools under application to be the Currant - Gething "C" and Boundary Lake "A". Both pools have been mapped as single well pools. The Gething zone was brought on production in December 2004 at 12.0 10³ m³/d, declining rapidly to less than 5.0 10³ m³/d due to liquid loading problems while producing up the annulus. The Boundary Lake zone is a thin reservoir with limited recoverable reserves, currently producing at 8.0 10³ m³/d. The two zones contain sweet gas, with the Boundary Lake zone at a higher comparative pressure than the Gething. Progress has configured the wellbore with a sliding sleeve and packer, therefore mitigating any concerns regarding potential cross-flow during any extended shut-in periods. Commingling should allow for increased recovery of reserves from both zones.

We wish to advise you that your application to commingle production is hereby approved, under the authority of section 41 of the *Drilling and Production Regulation*, subject to the following conditions:

1. Production from the Gething (1037-1047 mKB) and Boundary Lake (1135-1136.5 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 Gething 70% and Boundary Lake 30%.
3. 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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