



May 25, 2005

5200-4500/4800-59070-20  
OGC – 05170

Cheryl Leitch, C.E.T.  
Sr. Engineering Technologist  
Progress Energy Ltd.  
1400, 440 – 2<sup>nd</sup> Avenue S.W.  
CALGARY, AB T2P 5E9

Dear Ms. Leitch:

**RE: APPLICATION FOR COMMINGLED PRODUCTION  
PROGRESS ET AL KOBES a- 41-I/94-B-08; WA# 2089**

The Commission has reviewed your application dated May 19, 2005 requesting permission to commingle gas production from the Halfway and Charlie Lake zones encountered in the subject well.

The Commission designates the gas pools under application as the Kobes – Charlie Lake “E” and Halfway “A”. Extensive production and pressure histories have accumulated for these mature pools. Both zones produce sour gas and are currently at similar reservoir pressures. Commingled production from Charlie Lake and Halfway formations has been previously approved for several wells in the Kobes field. The segregated Halfway completion string in the subject well is anticipated to encounter liquid loading problems. 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 Charlie Lake (1583.1–1586.7 mKB) and Halfway (1792.7–1806.2 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 Charlie Lake 40% and Halfway 60%.
3. This approval may be modified at a later date if deemed appropriate through a change in circumstances.

It is noted that production reported for these zones for January, February and March 2005 appears to be transposed. Amended BC S-1 reports should be submitted to correct these volumes.

Sincerely,

Ron Stefik, ASCT  
Sr. Reservoir Engineering Technician

Approval Letters to Industry  
**COMMINGLED PRODUCTION**  
Copy 8

<input type="checkbox"/>	Wellfile (originals)
<input type="checkbox"/>	59070-20
<input type="checkbox"/>	Daily
<input type="checkbox"/>	Resource Revenue
<input checked="" type="checkbox"/>	R. Stefik
<input type="checkbox"/>	G. Farr
<input type="checkbox"/>	R Slocomb
<input type="checkbox"/>	D. Krezanoski

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