



December 6, 2005

8160-2700/4800-59070-20
OGC – 05345

Cheryl Leitch, CET
Sr. Engineering Technologist
Progress Energy Ltd.
1400, 440 – 2nd Avenue S.W.
CALGARY, AB T2P 5E9

Dear Ms. Leitch:

**RE: APPLICATION FOR COMMINGLED PRODUCTION
PROGRESS TOWN b-24-C/94-G-1; WA# 18511**

Commission staff have reviewed your application dated September 20, 2005 requesting permission to commingle gas production from the Halfway and Lower Gething zones encountered in the subject well.

The Commission has designated the gas pools under application to be the Town – Gething “A” and Halfway “A”. The Halfway “A” is a multi-well pool producing under GEP approval. This is the first well to produce from the Gething “A”, presently mapped as a thin pool with limited reserves. Both pools contain slightly sour gas, with the Halfway at a higher comparative pressure.

The Gething zone, brought on production in July 2005, is encountering liquid loading problems while producing up the annulus. The wellbore is configured with a sliding sleeve and packer, however potential cross-flow during any extended shut-in periods should not be a concern. 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 (1352.5–1360.0 mKB) and Halfway (1730.0–1743.0 mKB) zones may be commingled.
2. Gas, condensate and water production should be allocated on the Ministry of Small Business and Revenue BC S-1 and BC S-2 forms on the basis of Gething 20% and Halfway 80%.
3. This approval may be modified at a later date if deemed appropriate through a change in circumstances.

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

RESOURCE CONSERVATION BRANCH

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0301
Location: 6th Flr 1810 Blanshard St. Victoria BC

Headquarters: #200, 10003 110th Ave, Fort St. John BC V1J 6M7 Tel: (250) 261-5700 Fax: (250) 261-5744
www.ogc.gov.bc.ca