

Oil and Gas Commission

December 10, 1998

Mr. David Burton, P. Eng.
Remington Energy
600 550 6th Ave SW
Calgary AB T2P 0S2

Approval Letters to Industry COMMINGLED PRODUCTION

Copy

<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

Email

<input type="checkbox"/>	D. Krezanoski
<input type="checkbox"/>	P.S. Attariwala

File: 2400-2600/2900-59070-20

Buick Creek - Bluesky, C
Rigel - Dunlevy F

Dear Mr. Burton:

RE: APPROVAL FOR COMMINGLED PRODUCTION

Remington Rigel 6-20-88-18 W6M; WA 10848; Bluesky "C" and Dunlevy "F"
Remington Rigel a-21-J/94-A-10; WA 02054; Bluesky "C" and Dunlevy "F"
Remington Rigel c-32-I/94-A-10; WA 10920; Bluesky "C" and Dunlevy "F"

The Commission has reviewed your application dated November 12, 1998, requesting permission to commingle gas production from the Bluesky and Dunlevy gas pools encountered in the subject wells.

Gas composition of the two formations are essentially identical. Associated liquids with gas production causes the wells to load up, which can be prevented by commingled production. Also, commingling will eliminate the need to flare the wells at surface to unload liquids. Your proposal to maintain flowing bottom hole pressure below the reservoir pressure of either zone will prevent crossflow between the two zones.

As Remington is the licensee of all wells in the immediate area completed in and producing from the Bluesky and Dunlevy gas pools, as currently mapped, equity issues are not seen as being a concern.

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:

.../2

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1. Production from the Bluesky and the Dunlevy pools, as listed above, may be commingled in the subject wells.
2. Gas, condensate and water production should be allocated on the Ministry of Energy and Mines BC S-1 and BC S-2 forms for the first year, as proposed in your application.
3. Annual tests will be conducted to determine allocation factors in subsequent years, as proposed in your application.
4. This approval may be modified at a later date if deemed appropriate through a change in circumstances.

Sincerely,



B. van Oort, P. Eng.
Director
Engineering and Geology Branch

cc: Resource Revenue
Ministry of Energy and Mines