

OIL AND GAS COMMISSION

June 10, 2004

5170-2505/2700/2800-59070-20 OGC - 04200

2. Adm tours

Cal Bray
Senior Exploitation Engineer
Suncor Energy Inc.
PO Box 38
112 4th Avenue S.W.
CALGARY AB T2P 2V5

Dear Mr. Bray:

RE: COMMINGLED PRODUCTION APPROVAL SUNCOR KELLY c-33-J/93-P-01; WA# 15844

The OGC has reviewed your application dated May 27, 2004, for approval to commingle gas production from the Falher A, Gething and Cadomin zones in the subject well.

The Commission has designated the gas pools under application to be the Kelly Lake – Falher A "A", Gething "H" and Cadomin "E". As noted in your application reservoir pressures are dissimilar for the three zones; underpressured Falher A, partially depleted Gething and recently completed Cadomin at virgin pressure. Gas compositions are expected to be similar, all three zones being sweet. Reserve sizes are small and production rates are low in this area and commingled completion should allow these zones to be completed and produced in an economic manner, thereby increasing well gas recovery. The OGC supports Suncor's proposal to run a packer with sliding sleeve above the Cadomin formation to enable segregation of the lower pressure Falher A and Gething zones from the higher pressure Cadomin for the duration of any extended shut-in.

We wish to advise 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 Falher A (2169.0 2172.0 mKB) and Gething (2579.0 2582.5 mKB) and Cadomin (2617.0 2621.0 mKB) formations may be commingled.
- 2. Gas, water and condensate production should be allocated on the Ministry of Provincial Revenue BC S-1 and BC S-2 forms on the basis of Falher A 1%, Gething 34% and Cadomin 65%. The allocation factors may be amended to reflect results of any future tests.
- 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) 952-0311 or Richard Slocomb at 952-0366. **Approval Letters to Industry** COMMINGLED PRODUCTION : Sincerely, Wellfile (originals) 59070-20 Daily FOR Resource Revenue R. Stefik P. S. Attariwala G. Farr Supervisor P.S. Attariwala Reservoir Engineering D. Krezanoski **RESOURCE CONSERVATION BRANCH** R SLOCOM B PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Tax: (250) 992-4001