



September 5, 2002

800-2600/4800-59070-20

OGC - 02144

Felix Kwan, P. Eng.
Reservoir Engineer
Jedney Development and Operations Team
Petro-Canada Oil and Gas
P.O. Box. 2844
Calgary AB T2P 3E3

Dear Mr. Kwan:

**RE: APPLICATION FOR COMMINGLED PRODUCTION
PEX et al Beg a-21-F/94-G-1; WA# 711**

The Commission has reviewed your application dated August 26, 2002 requesting permission to commingle gas production from the Bluesky "D" and Halfway "A" pools encountered in the subject well.

Based on material balance analyses the two pools have similar reservoir pressures. Gas compositions differ between the two formations with Halfway being sour at 3.43 % H2S and Bluesky being sweet. The Bluesky "D" is completed as a single well pool. Therefore, the risk of contamination appears acceptable. Commingled completion would offer an economic ability to produce gas from the Halfway "A" pool, thereby increasing gas recovery.

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

1. Production from the Bluesky (1201.0-1225.0 mKB) and Halfway (1571.8-1574.8 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 Bluesky 60 % and Halfway 40%.
3. This approval may be modified at a later date if deemed appropriate through a change in circumstances.

Sincerely,

Peter Attariwala, P. Eng.
Supervisor
Reservoir Engineering

Approval Letters to Industry
COMMINGLED PRODUCTION
Copy 8

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

ENGINEERING AND GEOLOGY BRANCH

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0291
Location: 6th Fir 1810 Blanshard St. Victoria BC