



February 6, 2004

1400-4100/4800-59070-20
OGC -- 04043

Neil Horbachewski, P. Eng.
Exploitation Engineer
Progress Energy Ltd.
Suite 1400, 440 – 2 Avenue S.W.
CALGARY AB T2P 5E9

Dear Mr. Horbachewski:

**RE: APPLICATION FOR COMMINGLED PRODUCTION
PROGRESS BLUEBERRY c-18-E/94-A-13; WA# 15704**

The Commission has reviewed your application dated December 8, 2003 requesting permission to commingle gas production from the Baldonnel and Halfway zones encountered in the subject well.

The Commission has designated the gas pools under application to be the Blueberry – Baldonnel “B” and “Halfway “B”. Both pools contain sour gas with Halfway being sour at 5.7% H2S. Both pools are at similar current reservoir pressures. Therefore, any potential crossflow should be minimal and have no effect on ultimate gas recoveries. As noted in your application the small casing diameter (101.6 mm) does not allow a dual segregated production configuration. Therefore commingling will allow production from the Baldonnel zone, which would otherwise be left suspended for an indefinite period of time.

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 Baldonnel (1418.0–1431.0 mKB) and Halfway (1692.0–1705.0 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 Baldonnel 30% and Halfway 70%.
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

<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

RESOURCE CONSERVATION BRANCH

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