

September 17, 2003

1400-2900/4800-59070-20 OGC - 03255

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

Dear Mr. Stannard:

RE: APPLICATION FOR COMMINGLED PRODUCTION PROGRESS BLUEBERRY a-29-E/94-A-13; WA# 14888

The Commission has reviewed your application dated August 27, 2003 requesting permission to commingle gas production from the Dunlevy and Halfway zones encountered in the subject well.

The Commission has designated the gas pools under application to be the Blueberry – Dunlevy "B" and "Halfway "B". Both pools contain sour gas with Halfway being sour at 7.5% H2S. Both pools are at similar current reservoir pressures. Therefore, any potential crossflow should be minimal and have no effect on ultimate gas recoveries. Commingled completion is expected to increase recoverable gas reserves from the Dunlevy pool.

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 Dunlevy (1309.5–1313.5 mKB) and Halfway (1705.0–1710.0 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 Dunlevy 33% and Halfway 67%.
- 3. This approval may be modified at a later date if deemed appropriate through a change in circumstances.

Sincerely,	COMMINGLED PRODUCTION Copy 8
Patricial	Wellfile (originals) 59070-20 Daily Resource Revenue R. Stefik
Peter Attariwala, P.Eng.	G. Farr
Supervisor	P.S. Attariwala
•	D. Krezanoski
Reservoir Engineering	

ENGINEERING AND GEOLOGY BRANCH