

July 30, 1999

5170-2200/2510-59070-20 OGC-990429

Mr. John Mueller, P. Eng. Senior Exploration Engineer Archean Energy Ltd. Suite 1000, 324 - 8th Ave SW Calgary AB T2P 2Z2

Dear Mr. Mueller:

APPLICATION FOR COMMINGLED PRODUCTION RE: ARCHEAN KELLY a-67-G/93-P-1; WA# 11481

The Commission has reviewed your application dated July 16, 1999, requesting permission to commingle gas production from the Cadotte and Falher B zones encountered in the subject well.

The Commission has designated the gas pools in this well to be Cadotte "F" and Falher B "C" of the Kelly field. Gas compositions are similar for the two pools. Gas production from Cadotte is expected to increase as liquid loading is prevented with commingled production. This would increase the producing life of the well, thereby increasing recoverable reserves. We wish to advise you that your application to commingle production from these 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 Cadotte "F" and Falher B "C" pools may be commingled.
- 2. Gas, condensate and water production should be allocated on the Ministry of Energy and Mines BC S-1 and BC S-2 forms as proposed in your application. .
- 3. This approval may be modified at a later date if deemed appropriate through a change in circumstances.

Sincerely Director

Engineering and Geology Branch

COMMINGLED PRODUCTION Wellfile (originals) 59070-20 Daily Resource Revenue R. Stefik G. Farr Email D. Krezanoski P.S. Attariwala

Approval Letters to Industry