

OIL AND GAS COMMISSION

March 25, 2004 4780-2200/2500-59070-20 OGC - 04114 COMMINGLED PRODUCTION Darryl Krobel, EIT Copy 8 Deep Basin Engineering Wellfile (originals) Burlington Resources Canada Ltd. 59070-20 PO Box 4365, Postal Station C Daily CALGARY AB T2T 5N2 Resource Revenue R. Stefik Dear Mr Krobel: G. Farr P.S. Attariwala RE: APPLICATION FOR COMMINGLED PRODUCTION APPROVAL D. Krezanoski Devon ARL Hiding a-61-F/93-I-16; WA# 14179

The OGC has reviewed your application dated March 4, 2004, for approval to commingle gas production from the Cadotte and Falher formations in the subject well.

The Commission has designated the gas pools under application to be the Hiding – Cadotte "E" and Falher "G" pools.

Both wells are single well pools each capable of producing at a rate less than $25 \times 10^3 \text{m}^3/\text{d}$. The Falher is currently suspended to allow the Cadotte to flow up the tubing. Both zones have low productivity and as such commingled production is expected to allow the Cadotte to continue flowing gas and the Falher to start producing again; thereby increasing recoverable gas. Both zones are sweet gas. Although both zones are not expected to have similar pressures Burlington has committed to maintaining a sliding sleeve to enable segregation for the duration of any extended shut-in period.

We wish to advise you that your application to commingle production from these zones 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 Cadotte (2431 2437.5 mKB) and Falher (2761 2784.5 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 Cadotte 55 % and Falher 45 %. 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 (250) 952-0366.

Sincerely,

Peter Attariwala, P. Eng.

Supervisor

Reservoir Engineering