

February 13, 1998

Copies for Approval Letters (7) Commingled Production

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Wellfile (originals)
59070-20
Daily

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Ref.: 980197

Mr. D. Lehmann, P. Eng. Senior Petroleum Engineer Paramount Resources Ltd. 4000 - First Canadian Centre 350 - 7<sup>th</sup> Avenue SW Calgary AB T2P 3W5

Dear Mr. Lehmann:

RE: APPLICATION FOR COMMINGLED PRODUCTION PARA ET AL ZAREMBA a-45-E/94-H-7; WA# 9827

The Ministry has reviewed your application dated January 16, 1998 requesting permission to commingle gas production from the Bluesky "C" and 'A' Marker "C" gas pools encountered in the subject well.

Gas compositions for the two pools are similar whereas the reservoir pressures are different, with 'A' Marker pressure being higher. However, the production plans put forth by Paramount Resources Ltd. would ensure maximum economic recovery from the pools.

The application to commingle production from these two formations is hereby approved, under the authority of Section 44 of the *Drilling and Production Regulation*, subject to the following conditions:

- 1. Production from the Bluesky "C" (1135-1141 mKB) and 'A' Marker "C" (1206-1208 mKB) pools may be commingled.
- 2. Gas, condensate and water production should be allocated on the BC S-1 and BC S-2 forms on the basis of Bluesky "C" 50% and 'A' Marker "C" 50%.

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3. This approval may be modified at a later date if deemed appropriate through a change in circumstances.

Yours sincerely,

B. van Oort, P. Eng

Director

Engineering and Operations Branch