

March 10, 2008 (Updated December 2021)

RE: COMMINGLED PRODUCTION – INTERIM APPROVAL OUTER FOOTHILLS AREA PADDY, CADOTTE, NOTIKEWIN, FALHER, BLUESKY, GETHING, CADOMIN <u>AND NIKANASSIN</u> <u>ZONES</u>

The British Columbia Energy Regulator (Regulator or BCER), in participation with a Best Practices Working Group sub-committee, has examined the merits of a streamlined process for commingled well completions in the Outer Foothills area. The Regulator recognizes the benefits of an area based commingled production approval for multiple gas bearing formations in this region, while ensuring the appropriate level of data is gathered to foster and monitor continued development. Most subject zones are characterized as either extensive, low permeability sands or containing pools of limited size. All zones in this approval produce sweet gas. Commingled production is expected to maximize production and resource recovery from these zones.

The Regulator issued an interim approval for commingled production on January 1, 2008. An interim approval allowed industry and government to benefit from the work completed by the BPWG sub-committee, while the Regulator continued to work to improve the final guideline.

Approval for commingled production is hereby granted under the authority of Section 75 of the Energy Resource Activities Act, subject to the following conditions:

1. The area of approval shall consist of: 93-I-8 -

Blocks I, J 93-I-9 – Blocks A, B, E-L 93-I-10 – Blocks I 93-I-15 – Blocks A, B, F-L 93-I-16 – Blocks A-G, L, Block H (units 1-50)

- 2. The most recent version of the BCER document, <u>Commingling Production Guide</u> will provide guidance for commingled completion without prior individual approval from the Regulator. This document further details testing and reporting requirements.
- 3. A permit holder must report each completion event commingled in a well bore via Petrinex, regardless of productivity, by the 20th day of the month following the month the status change occurs.
- 4. Gas, water and condensate production from a commingled well must be reported to the deepest (measured depth) active well event (UWI) of the commingled group of zones in the wellbore.

- 5. A "notification" must be submitted to the Regulator for each commingled well, within 30-days of final completion operations, and must include;
 - a. a schematic diagram of the wellbore completion,
 - b. flow data summary,
 - c. production allocation factors for each of the commingled zones, with calculations,
 - d. completion/workover report,
 - e. commingling effective date, and
- 6. Where the guidelines do not provide sufficient clarification for an individual case, BCER Resource Conservation staff should be contacted for a decision prior to completing the well in a commingled state. In some cases, a formal application may be required.
- 7. This approval may be modified at a later date if deemed appropriate through a change in circumstances.

Normal gas well spacing and target restrictions specified under Section 7 of the Drilling and Production Regulation continue to apply, unless otherwise approved under a Good Engineering Practice project approval granted under Section 75 of the Energy Resource Activities Act.

For further information, please email <u>Reservoir@bc-er.ca.</u>