

Province of British Columbia

September 21, 1994

Ministry of Energy, Mir Petroleum I

Approval Letters to Industry (11)

nbia

Parliament Ruildings

D.L. Johnson P.S. Attariwala R.G. Stefik

G. Farr. D. Richardson

S. Chicorelli Daily Well File ORCS

Data Management Resource Revenue 940901C WA 8502

Mr. Bob Emett Vice President, Operations Blue Range Resource Corporation 1100, 801 - 6th Avenue S.W. Calgary, Alberta T2P 3W2

Dear Mr. Emett:

RE: APPLICATION FOR COMMINGLING OF PRODUCTION ENCAL MERCURY C-62-B/94-H-11; WA 8502

This acknowledges receipt of your application dated June 30, 1994, requesting permission to commingle production from the Bluesky and Charlie Lake zones in the subject well.

We wish to advise that your application is hereby approved subject to the following conditions:

- 1. Production from the Bluesky (1030-1033.5 mKB) and Charlie Lake (1055.5-1079.3 mKB) zones may be commingled.
- 2. Gas, condensate and water production should be allocated to the formations on the BC S-1 and BC S-2 forms on the basis of Bluesky 50% and Charlie Lake 50%.
- 3. This approval may be modified at a later date if deemed appropriate through a change of circumstances.

Yours sincerely,

B. van Oort

Manager, Engineering

Engineering and Operations Branch

PSA/mef

cc: Encal Energy Ltd.

Attn: Steve Smith, P. Land

D.L. Johnson Manager, Field Office Fort St. John