



OIL AND GAS COMMISSION

January 29, 2009

5540-3200/4100-59070-20

Don Finley  
Twin Butte Energy Ltd.  
600, 324 – 8<sup>th</sup> Avenue S.W.  
Calgary, Alberta T2P 2Z2

Dear Mr. Finley:

**RE: COMMINGLED PRODUCTION APPROVAL  
TBE LAGARDE 14-31-087-15W6M; WA# 24296**

The OGC has reviewed your application dated January 5, 2009 requesting approval to commingle gas production from the Nordegg and Baldonnel formations in the subject well.

The Commission has designated the subject well to the Lagarde – Baldonnel “C” gas pool. The Nordegg was not assigned pay due to its poor characteristics on logs and lack of response during completion.

The subject well was completed in both zones in October 2008. The Nordegg showed no response upon perforation and acid stimulation. In December 2008 the Baldonnel was placed on production up the tubing at 12.0 10<sup>3</sup>m<sup>3</sup>/d. Production was hindered by liquid loading within a few weeks and declined to at 1.0 10<sup>3</sup>m<sup>3</sup>/d. Installation of a plunger lift is planned in order to aid production. Due to the lack of success during the Nordegg completion, its contribution to the commingled production is expected to be negligible. Commingled production is expected to maximize production and reserve recovery by allowing space for the plunger lift to be installed.

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 Nordegg (1142.9–1144.8 mKB) and Baldonnel (1161.0–1162.8 mKB) zones may be commingled.
2. Gas, condensate and water production should be allocated on the Ministry of Finance BC S-1, BC S-2 and BC 08 forms on the basis of Nordegg 0 % and Baldonnel 100 %. 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) 952-0366 or Kelly Okuszko at (250) 952-0325.

Sincerely,

Richard Slocomb, P. Eng.  
Supervisor Reservoir Engineering

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**RESOURCE CONSERVATION**

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