



July 18, 2008

4200-8400/8600-59070-20

Kathleen Storey
Regulatory Applications
Apache Canada Ltd.
1000, 700 – 9th Ave S.W.
Calgary AB T2P 3V4

Dear Ms. Storey:

**RE: COMMINGLED PRODUCTION APPROVAL
APACHE ET AL MISSLE d-54-A/94-O-9; WA# 2232**

Commission staff have reviewed the application dated July 2, 2008 to commingle gas production from the Slave Point and Pine Point formations in the subject well.

These two zones were completed in 1968 and commenced production in 2004, without segregation. Carbonate development at this location lacks the usual Watt Mountain shale separation between these zones. All completion, testing and production to-date has treated the Slave Point and Pine Point as a single zone. The OGC recognizes that these two intervals may be in natural communication, however without direct evidence they have been designated as the Gote field - Slave Point "A" and Pine Point "A" pools, with separate unique well identifiers assigned to each. All production has been reported to the Pine Point, however the quality each zone in this well bore indicates that both are likely contributing to gas production. Well gas production as declined, continued commingled production is expected to maximize gas recovery from these zones, specifically with regard to the issue of liquid loading.

Commingled production 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 Slave Point (2324.9 – 2345.6 mKB) and Pine Point (2457.2 – 2467.8 mKB) may be commingled.
2. Gas, condensate and water production should be allocated on the Ministry of Small Business and Revenue (SBR) BC S-1, BC S-2 and BC-08 forms on the basis of Slave Point 80 % and Pine Point 20 %.
3. This approval may be modified at a later date if deemed appropriate through a change in circumstances.

Arrangement must be made with SBR to adjust past production to reflect this allocation. Should you have any questions, please contact the undersigned at (250) 952-0310.

Sincerely,

Sr Reservoir Engineering Technologist

RESOURCE CONSERVATION

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