



March 15, 2007

7250-2400/2600/2700-59070-20

Dave Sherman
Apache Canada Ltd.
1000, 700 – 9th Ave S.W.
Calgary AB T2P 3V4

Dear Mr. Sherman:

**RE: INTERIM COMMINGLED PRODUCTION APPROVAL
APACHE PICKELL d-41-J/94-H-3; WA# 22597**

The Oil and Gas Commission has reviewed the application dated March 14, 2007, requesting approval to commingle gas production from various Notikewin, Bluesky and Gething zones in the subject well.

The noted intervals 862.0 – 864.0 mKB & 888.0 – 890.0 mKB are mapped by the OGC as a single Notikewin pool, commingled approval is not required for the grouping of these intervals. The intervals 1057.0 – 1059.0 mKB and 1081.0 – 1082.0 mKB are mapped as separate Bluesky and Gething formations, respectively.

The subject new well is currently not completed in any zone. The Notikewin formation is expected to contain modest reserves and has been approved for reduced well spacing under multiple Good Engineering Practice approvals in this area. Wells producing from the Bluesky and Gething zones in this area have displayed a variety of initial production rates and reserves, with several modest to marginal rate wells approved to commingle production with other formations. Commingled production is expected to maximize production and recovery from these zones.

We wish to advise that your application to commingle production from the Notikewin, Bluesky and Gething formations is hereby granted **interim** approval, under the authority of Section 41 of the *Drilling and Production Regulation*, subject to the following conditions being met:

1. The measurement and reporting of the initial reservoir pressure of the Notikewin, Bluesky and Gething formations, as required per Section 95(1) of the *Regulation*.
2. A measurement and reporting of the absolute open flow potential of the Notikewin, Bluesky and Gething formations, as per Section 84 of the *Regulation*.
3. Should the productivity of any zone exceed $60.0 \text{ } 10^3 \text{ m}^3/\text{d}$, segregated production will be initially required.
4. A supplemental application for commingled production must be submitted, with the results of completion operations, and proposed allocation factors for production reporting.

Should you have any questions, please contact the undersigned at (250) 952-0310.

Sincerely,

Ron Stefik, ASCT
Sr Reservoir Engineering Technologist

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