



OIL AND GAS COMMISSION

March 2, 2006

2400-2600/3320-2900-59070-20

OGC - 06079

Scott Gordon, P. Eng.
Vice President, Engineering & Operations
Assure Oil & Gas
Suite 1100, 717 - 7th Avenue SW
CALGARY AB, T2P 0Z3

Dear Mr. Gordon:

RE: APPLICATION FOR COMMINGLED PRODUCTION
Assure et al W Currant c-3-D/94-A-16; WA# 17201

The OGC has reviewed your application dated February 22, 2006, made on your behalf by Geocan Energy Inc., requesting permission to commingle gas production from the Bluesky and Gething/Dunlevy zones in the subject well.

The Commission has designated the gas pools under application to be the Buick Creek - Bluesky "C" and Currant West - Dunlevy "D".

The Bluesky has been delineated by a large number of wells whereas the Dunlevy is a single well pool. Both the Bluesky and Dunlevy have been on production since April 2004 with intermittent production in recent months. The Bluesky has been on production through the annulus and has produced 5.6 10^6 m^3 and is currently capable of producing at 6.8 10^3 m^3/d. The Dunlevy has been on production through the tubing and has produced 7.2 10^6 m^3 and is presently capable of producing 22.9 10^3 m^3/d. The Bluesky has been shut-in since October 2005 and the Dunlevy has been shut-in since July 2005. Production from the well has been impacted by water loading. Both zones contain similar pressures and similar gas compositions. We concur that commingled production through the tubing will increase gas rates and unload water present in the wellbore thereby maximizing reserves recovery.

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 Bluesky (1029.5 - 1036.5 mKB) and Dunlevy (1048.0 - 1053.0 mKB) may be commingled.
2. Gas, condensate and water production should be allocated on the Ministry of Small Business and Revenue BC S-1 and BC S-2 forms on the basis of Bluesky 30 % and Dunlevy 70 %. 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) 952-0310.

Sincerely,

[Handwritten signature of Richard Slocomb]

Richard Slocomb
A/Director
Resource Conservation Branch

Approval Letters to Industry
COMMINGLED PRODUCTION

Copy 8

- Wellfile (originals)
59070-20
Daily
Resource Revenue
R. Stefik
G. Farr
R Slocomb
D. Krezanoski

RESOURCE CONSERVATION BRANCH

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