



July 31, 2006

2920-4100/4540-59070-20

David Mitchell, P.Eng.  
Senior Exploitation Engineer  
Baytex Energy Ltd.  
2200, 205 – 5<sup>th</sup> Avenue S.W.  
CALGARY AB, T2P 2V7

Dear Mr. Mitchell:

**RE: INTERIM APPROVAL FOR COMMINGLED PRODUCTION**  
**Baytex N Cache B2-33-88-22 W6M; WA# 14649**

Commission staff have reviewed your application dated July 24, 2006, requesting pre-approval to commingle gas production from the Baldonnel and Coplin formations in the subject well bore.

The OGC maps these zones within the Cache Creek field Baldonnel “A” and Coplin “A” pools. Neither zone has yet been completed in this well bore. However, approval to commingle these same two pools was granted on June 23, 2006 for the well Baytex Cache 6-22-88-22 (WA# 3367), to relieve liquid loading and sustain production. Both pools are produced from multiple wells, with significant production history and Good Engineering Practice approvals allowing reduced well spacing. The Baldonnel and Coplin zones are estimated to be at similar current reservoir pressures and both contain slightly sour gas compositions. We concur that commingled production should maximize reserves recovery and will allow continued segregated production from the Halfway formation in this well.

We wish to advise that your application to commingle production from the Baldonnel and Coplin zones is hereby granted **interim** approval, under the authority of Section 41 of the *Drilling and Production Regulation*, subject to the following conditions:

1. A production test must be completed to establish the initial reservoir pressure and AOF for each zone, and reports filed as per the requirements of Sections 84 and 95 of the *Regulation*.
2. A formal application for commingled production must be submitted, prior to commencement of commingled production, with supporting test data, gas analysis and proposed allocation factors for production reporting both gas and liquids.
3. Formal approval for commingled production **will not** be authorized until all of the conditions above have been met.

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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**RESOURCE CONSERVATION BRANCH**

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