



OIL AND GAS COMMISSION

March 30, 2007

6480-2515/2600/2700/2800/2850-59070-20

Chris Dittaro
Foothills Senior Reservoir Engineering Technologist
ConocoPhillips Canada
401 – 9th Avenue S.W.
PO Box 130 Station M
Calgary Alberta T2P 2H7

Dear Ms. Dittaro:

RE: APPROVAL FOR COMMINGLED PRODUCTION
DEVON ARL ET AL OJAY c-65-C/93-I-16; WA# 19123

The Commission has reviewed your application dated February 5, 2007 requesting permission to commingle gas production from the Falher C, Gething, Cadomin and Nikanassin zones in the subject well.

The Commission has designated the gas pools under application to be the Ojay – Falher C “B”, Gething “D”, Cadomin “F” and Nikanassin “D”. Although the Bluesky zone was perforated no pool code has been assigned due to no flow from the zone. The Notikewin is being produced segregated up a separate tubing string and has been mapped in the Ojay - Notikewin “D” pool.

An interim commingling approval was granted by the Commission on June 30, 2006 for the Cadotte, Notikewin, Falher C, Bluesky, Gething, Cadomin and Nikanassin zones.

It is noticed that initial test rates for the Gething, Cadomin and Nikanassin were $88.1 \text{ } 10^3 \text{ m}^3/\text{d}$, $65.8 \text{ } 10^3 \text{ m}^3/\text{d}$ and $97.0 \text{ } 10^3 \text{ m}^3/\text{d}$, respectively. A test rate for the Falher C was $17.5 \text{ } 10^3 \text{ m}^3/\text{d}$ before the zone was damaged during fishing operation. Therefore, no production allocation is assigned to the zone. All pools produce sweet gas. The pressures are similar for the commingled producing zones. A sliding sleeve is in place to allow for segregation during long shut-in periods. Commingled production is expected to maximize production and pool recovery from all four zones.

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 Falher C (2803.0-2809.0 mKB), Bluesky (3038.0-3055.0 mKB), Gething (3105.0-3157.0 mKB), Cadomin (3171.0-3175.0 mKB) and Nikanassin (3232.0-3302.0 mKB) zones 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 Falher C 0%, Bluesky 0%, Gething 36%, Cadomin 27% and Nikanassin 37%. 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.

Sincerely,

Richard Slocomb, P.Eng.
Supervising Reservoir Engineer

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