



September 1, 2005

4780-2200/2515-59070-20
OGC - 05244

Eveline Chartier, P.Eng.
Sr. Exploitation Engineer
Devon Canada Corporation
2000, 400 - 3rd Avenue SW
Calgary AB T2P 4H2

**Approval Letters to Industry
COMMINGLED PRODUCTION**

Copy 8

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

Dear Ms. Chartier:

**RE: APPROVAL FOR COMMINGLED PRODUCTION
BRC HTR et al HIDING b-18-H/93-I-16; WA# 16715**

The Commission has reviewed your application dated July 22, 2005 requesting permission to commingle gas production from the Cadotte and Falher C zones in the subject well.

The Commission designates the gas pools under application to be the Hiding Creek - Cadotte "I" and Falher C "J". Both pools contain sweet gas and have been mapped as single well entities. The Cadotte zone has never been on production, however it was flow tested at 6.0 10³ m³/d after completion. Geological interpretation and initial productivity suggest that the Cadotte is a marginal zone with limited gas reserves. The Falher C zone has been on production since November 2004 and has produced 4.9 10⁶ m³ of gas and is currently producing at 22.5 10³ m³/d. Although pressures are not expected to be similar, the production string has been configured with a sliding sleeve, which will allow segregation of the two zones if required. Commingled production is expected to increase the productive life of the Cadotte zone, thereby increasing its recoverable reserves.

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 Cadotte (2735.5-2738.5 mKB) and Falher C (2902.0-2908.0 mKB) formations may be commingled.
2. Gas, water and condensate production should be allocated on the Ministry of Provincial Revenue BC S-1 and BC S-2 forms on the basis of Cadotte 20% and Falher C 80%. 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.
Supervisor
Reservoir Engineering

RESOURCE CONSERVATION BRANCH

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0301
Location: 6th Flr 1810 Blanshard St, Victoria BC

Headquarters: #200, 10003 110th Ave, Fort St. John BC V1J 6M7 Tel: (250) 261-5729 Fax: (250) 261-5744 www.ogc.gov.bc.ca