



April 4, 2005

Approval Letters to Industry
COMMINGLED PRODUCTION

4780-2520/2700/2800-59070-20

OGC - 05113

Copy 8

Eveline Chartier, P.Eng.
Exploitation Engineer, Deep Basin
Devon Canada Corporation
2000, 400 - 3rd Avenue S.W.
CALGARY, AB T2P 4H2

<input type="checkbox"/>	Wellfile (originals)
<input type="checkbox"/>	59070-20
<input type="checkbox"/>	Daily
<input type="checkbox"/>	Resource Revenue
<input type="checkbox"/>	R. Stefik
<input type="checkbox"/>	G. Farr
<input type="checkbox"/>	R. Slocomb
<input type="checkbox"/>	D. Krezanoski

Dear Ms. Chartier:

RE: APPLICATION FOR INTERIM COMMINGLED PRODUCTION APPROVAL
Devon ARL et al Hiding b-92-H/93-I-16; WA# 17547

The OGC has reviewed your application dated February 25, 2005, for interim approval to commingle gas production from Falher D, Gething and Cadomin formations in the subject well.

The subject well is currently cased and awaiting completion. The Falher D is on trend with the existing Falher D "A" pool and will likely form part of this pool. Log analysis indicates that this formation will probably not be able to produce segregated at economic rates. The Gething formation is exploratory with very limited pressure and production information within a 10 km radius of the subject well. Log analysis indicates the potential for a good zone. The Cadomin is also an exploratory formation with limited off-set production; however it is expected to be part of the regionally extensive Deep Basin Cadomin Play. Log analysis indicates that this formation is tight with porosity in the 6% range. All three formations are expected to contain sweet gas with varying reservoir pressures. Recognizing the exploratory nature of the Gething formation and the lack of production and pressure information from this reservoir, the OGC cannot include the Gething as part of the interim commingled production approval. Devon may apply to include the Gething formation for commingled production once the required flow test and reservoir pressure test information has been obtained.

We wish to advise you that your application to commingle production 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. Production from the Falher D and Cadomin formations may be commingled.
2. A production test must be completed to establish the AOF and initial reservoir pressure for each of the two productive formations, and reports filed as per the requirements of Sections 84 and 95 of the *Regulation*.
3. A formal application for commingled production must be submitted, prior to commencement of commingled production, with supporting test data, completion information, gas analysis and proposed allocation factors for production reporting both gas and liquids.
4. Should zone productivity from either of these formations exceed a gas rate of 60 10³m³/d, segregated production may be required.

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RESOURCE CONSERVATION BRANCH

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5. Formal approval for commingled production *will not* be authorized until all of the conditions above have been met.

It should be noted that the Cadomin zone is currently held under Drilling Licence 54714. Please be aware that Lease selection is required prior to any production from the Cadomin zone.

Should you have any questions, please contact the undersigned at (250) 952-0366.

Sincerely,

A handwritten signature in black ink, appearing to read 'Richard Slocomb', written in a cursive style.

Richard Slocomb, P. Eng.
Supervisor
Reservoir Engineering