



January 16, 2004

9000-2500/2800-59070-20
OGC - 04015

Janene Hokanson
Exploration Technologist
Devon ARL Corporation
1600, 324 - 8th Avenue S.W.
CALGARY AB T2P 2Z5

Dear Ms. Hokanson:

RE: APPLICATION FOR COMMINGLED PRODUCTION APPROVAL
Devon ARL Hiding c-85-F/93-I-16; WA# 16130

The OGC has reviewed your application dated January 14, 2004, for approval to commingle gas production from the Falher G and Cadomin formations in the subject well.

As noted in your application this is an exploratory well and both intervals may be new pool discoveries. The OGC is concerned that, despite planned initial zone testing, commingled operation will not allow production and pressure monitoring of the individual zones, to assess reserves and further pool development potential. Additionally, the expected initial reservoir pressures of the proposed zones are significantly different and would be a cause for concern if the commingled zones were left open to one another for any extended period of time. In this case, the incorporation of a sliding sleeve, or some other completion arrangement, that will allow future zonal isolation for production and pressure testing would be preferable. Furthermore, both zones are not within the gas target area and may be subject to an off-target penalty if it is determined that either zone is producing from an existing pool.

At this point, the OGC wishes to reserve judgment on approval of commingled production until the results of individual zone tests are known. Offset production indicates the potential for substantial production from both the Falher and Cadomin zones. Commingled production approval as requested may be denied, should the gas flow rate on test from each zone be significant.

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

Sincerely,

Peter Attariwala, P. Eng.
Supervisor
Reservoir Engineering

Approval Letters to Industry
COMMINGLED PRODUCTION

Copy 8

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

RESOURCE CONSERVATION BR.

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