



January 18, 2005

Nick Geib, P.Eng.
Exploitation Engineer
Devon Canada Corporation
2000, 400 – 3rd Avenue S.W.
CALGARY, AB T2P 4H2

Approval Letters to Industry
COMMINGLED PRODUCTION
Copy 8

6480-2800/2850-59070-20
OGC – 05017

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

Dear Mr. Geib:

RE: APPLICATION FOR INTERIM COMMINGLED PRODUCTION APPROVAL
Devon ARL et al Ojay c-45-C/93-I-16; WA# 18101

The OGC has reviewed your application dated December 20, 2004, for interim approval to commingle gas production from Cadomin and Nikanassin formations in the subject well.

Both the Nikanassin and Cadomin zones appear to be part of a three well pool, as the subject well is on strike with two off-set producers. Both of the off-set wells; BRC HTR et al Ojay d-57-C/93-I-16 and BRC HTR et al Ojay a-33-C/93-I-16 have been granted approval to commingle production from the Cadomin and Nikanassin zones along with several other wells in the area. Stabilized productive capability of each zone is anticipated to be less than 30.0 10³ m³/d. Liquid loading has also been a factor with regard to productivity from the Cadomin. Additionally, there are only a few meters separating the Cadomin and Nikanassin zones resulting in the possibility that these zones are already commingled through natural fractures. Commingled production is expected to maximize production and recovery from both zones. Both zones are sweet gas and are expected to have similar pressures.

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. A commingled production test must be completed to establish the combined AOF and initial reservoir pressure for the two zones, 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, completion information, gas analysis and proposed allocation factors for production reporting both gas and liquids.
3. Should zone productivity from either of these zones exceed a gas rate of 60 10³m³/d, segregated production may be required.
4. Formal approval for commingled production **will not** be authorized until all of the conditions above have been met.

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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

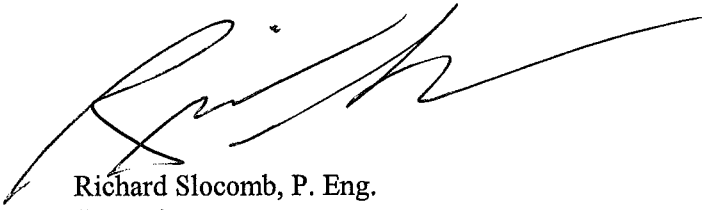
Headquarters: #200, 10003 110th Ave, Fort St. John BC V1J 6M7 Tel: (250) 261-5700 Fax: (250) 261-5744
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Should you have any questions, please contact the undersigned at (250) 952-0366.

Sincerely,

A handwritten signature in black ink, appearing to read 'Richard Slocomb', with a long horizontal flourish extending to the right.

Richard Slocomb, P. Eng.
Supervisor
Reservoir Engineering