



December 3, 2007

6480-2515/2800/2850-59070-20

John Donohoe, P.Eng.  
Senior Exploitation Engineer - Foothills  
Devon Canada Corporation  
2000, 400 – 3<sup>rd</sup> Avenue SW  
Calgary AB T2P 4H2

Dear Mr. Donohoe:

**RE: APPROVAL FOR COMMINGLED PRODUCTION**  
**Devon et al Ojay a-69-G/93-I-9; WA# 22951**

The Commission has reviewed your application dated November 29, 2007 requesting approval to commingle gas production from the Falher C and Cadomin/Nikanassin formations in the subject well.

The Commission designates the gas pools under application to be the Ojay field – Falher C “A”, Cadomin “B” and Nikanassin “B” pool.

Interim commingling was approved on September 6, 2007 for the Cadomin and Nikanassin zones to allow the acquisition of additional supporting data for a formal commingling application. The Falher C was also completed in the well. The Falher C initially tested at  $47.7 \times 10^3 \text{ m}^3/\text{d}$ , however, production after one month is expected to drop below  $20 \times 10^3 \text{ m}^3/\text{d}$ , too low to flow up the annulus due to liquid loading. Commingled production through the tubing is expected to increase gas rates and prevent liquid loading in the wellbore. All three zones are sweet gas with dissimilar initial reservoir pressures between Falher C and Cadomin/Nikanassin. The wellbore has been configured with a packer and sliding sleeve thereby allowing these zones to be segregated during an extended shut-in period. Commingled production through a single tubing string is expected to lift liquids more effectively, extending the economic life of this well thereby maximizing 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 Falher C (2404.0-2408.0 mKB), Cadomin (2768.0-2774.0 mKB) and Nikanassin (2814.0-3040.0 mKB) formations 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 30 %, Cadomin 2 % and Nikanassin 68 %. 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.

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

Sincerely,

Richard Slocomb, P.Eng.  
Supervisor, Reservoir Engineering

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**RESOURCE CONSERVATION**

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

Headquarters: #200, 10003 110<sup>th</sup> Ave, Fort St. John BC V1J 6M7 Tel: (250) 261-5700 Fax: (250) 261-5744 www.ogc.gov.bc.ca