

OIL AND GAS COMMISSION

January 24, 2006

6480-2515/2700/2800/2850-59070-20 OGC - 06027

John Donohoe, P.Eng. Senior Exploitation Engineer Devon Canada Corporation 3100, 400 – 3rd Avenue S.W. Calgary AB T2P 4H2

Dear Mr. Donohoe:

RE: APPROVAL FOR COMMINGLED PRODUCTION DEVON ET AL OJAY c-76-C/93-I-16; WA# 16945

Approval Letters to Industry COMMINGLED PRODUCTION	
Copy 8	
	Wellfile (originals)
	59070-20
	Daily
	Resource Revenue
	R. Stefik
	G, Farr
	R Slocomb
	D. Krezanoski

The Commission has reviewed your application dated December 1, 2005 requesting permission to commingle gas production from the Falher C, Gething, Cadomin and Nikanassin zones in the subject well.

The Commission has designated the gas pools under application to be the Ojay – Falher C "B", Gething "D", Cadomin "F" and Nikanassin "D".

The Commission granted approval for commingled production to Devon Canada on June 24, 2005 for the Gething, Cadomin and Nikanassin zones based on low productivity from initial completion of the Gething and Nikanassin zones. Currently the Falher C is being produced segregated up a separate tubing string. The three commingled zones and the Falher C zone are approaching their critical lift rates, producing at 23.0 10³ m³/d and 19.0 10³ m³/d, respectively. All four pools are sweet gas. The Falher C pressure is expected to be significantly lower than the three deeper producing zones. However, a sliding sleeve is in place and will allow for segregation during long shut-in periods. Commingled production is expected to maximize production and pool recovery from all four zones.

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 (2846.0-2850.0 mKB), Gething (3175.0-3200.0 mKB), Cadomin (3242.5-3246.0 mKB) and Nikanassin (3275.0-3445.0 mKB) zones 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 40%, Gething 5%, Cadomin 40% and Nikanassin 15%. 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.

A/Director

Resource Conservation Branch