



October 30, 2007

7250- 2600/8260-4100-59070-20

Allan Mayder
Exploitation Engineer
Devon Canada Corporation
2000, 400 – 3rd Avenue SW
Calgary AB T2P 4H2

Dear Mr. Mayder:

**RE: APPROVAL FOR COMMINGLED PRODUCTION
DEVON PICKELL c-63-J/94-H-3; WA# 20323**

The Commission has reviewed your application dated July 25, 2007 for approval to commingle gas production from the Bluesky and Baldonnel zones encountered in the subject well.

The Commission designates the gas pools under application to be the Pickell field – Bluesky “F” and Wargen field - Baldonnel “B” pool.

The Pickell - Bluesky “F” pool has been delineated by 7 wells whereas the Wargen - Baldonnel “B” is a large multi-well pool. Several commingling approvals have previously been granted in these pools to maximize gas reserves. Also, commingling of Baldonnel with other Bluesky zones has been approved in nearby wells at b-72-J and a-65-J/94-H-3. Gas compositions and reservoir pressures for these pools are very similar. Commingled production is expected to improve reserves recovery by extending the production life of each zone and aiding in the well’s ability to unload produced fluids.

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 Bluesky (1063.0-1074.0 mKB) and Baldonnel (1114.7-1124.0 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 Bluesky 25% and Baldonnel 75%. 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.
Supervising Reservoir Engineer

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) 261-5729 Fax: (250) 261-5744 www.ogc.gov.bc.ca