



October 20, 2008

7250-2400/2600/4100-59070-20

Sara Whelen
NE BC Exploitation Technologist
Devon Canada Corporation
2000, 400 – 3rd Avenue SW
Calgary AB T2P 4H2

Dear Ms. Whelen:

**RE: APPROVAL FOR COMMINGLED PRODUCTION
DEVON ARL PICKELL A- 065-J/094-H-03; WA# 13764**

Commission staff have reviewed your application dated October 1, 2008 for approval to commingle gas production from the Notikewin, Bluesky and Baldonnel zones encountered in the subject well.

The Commission has designated the gas zones under application to be part of the Pickell – Notikewin “A” and Bluesky “F” pools and Wargen – Baldonnel “B” pool. Each pool contains multiples wells.

The Bluesky and Baldonnel zones were approved for commingling in June 2001 and are currently producing at a combined rate of $10 \times 10^3 \text{ m}^3/\text{d}$. The Notikewin was completed in the subject well in January 2003 and has been produced segregated through the wellbore annulus since February 2003. The Notikewin is currently producing at $3 \times 10^3 \text{ m}^3/\text{d}$. The zones contain sweet gas and have similar current reservoir pressures. Commingled production of the Notikewin with the Bluesky and Baldonnel is expected to maximize reserve recovery.

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 Notikewin (888.0-894.0 mKB), Bluesky (1054.5-1058.0 mKB) and Baldonnel (1112.0-1118.0 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, BC S-2 and BC-08 forms on the basis of Notikewin 25%, Bluesky 45% and Baldonnel 30%. 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 or Kelly Okuszko at (250) 952-0325.

Sincerely,

Richard Slocomb, P.Eng.
Supervisor, Reservoir Engineering

RESOURCE CONSERVATION

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