



December 16, 2008

8260-2600/4100-59070-20

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 WARGEN C- 067-B/094-H-06; WA# 14830**

Commission staff have reviewed your application dated November 17, 2008 for approval to commingle gas production from the Bluesky and Baldonnel zones encountered in the subject well.

The Commission has designated the gas zones under application to be part of the Wargen –Bluesky “B” and Baldonnel “B” gas pools. The Bluesky “B” pool contains two other wells, d-A059-B/94-H-6 (WA #10967) and c-039-B/94-H-6 (WA #11941), which are both commingled in the Bluesky and Baldonnel. The Baldonnel “B” pool is a large regional pool containing multiple wells.

The Baldonnel zone commenced production in April 2002 at $20.3 \text{ } 10^3 \text{ m}^3/\text{d}$ and has declined to a current rate of $10 \text{ } 10^3 \text{ m}^3/\text{d}$. In February 2006, the Bluesky zone commenced segregated production through the wellbore annulus at $14.6 \text{ } 10^3 \text{ m}^3/\text{d}$ and is currently producing at $3.5 \text{ } 10^3 \text{ m}^3/\text{d}$. The zones contain sweet gas and have similar current reservoir pressures. Commingled production of the Bluesky and Baldonnel through a single tubing string is expected to maximize production and 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 Bluesky (1067.0-1068.0 mKB) and Baldonnel (1107.0-1113.0 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 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 or Kelly Okuszko at (250) 952-0325.

Sincerely,

Richard Slocomb, P.Eng.
Supervisor, Reservoir Engineering

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