



November 27, 2006

8260-2600/4100-59070-20

Andrew Cheung
Engineering Intern
NE BC Exploitation Department
Devon Canada Corporation
2000, 400 – 3rd Avenue SW
Calgary AB T2P 4H2

Dear Mr. Cheung:

**RE: INTERIM APPROVAL FOR COMMINGLED PRODUCTION
DEVON WARGEN b-76-J/94-H-3; WA# 20263**

Commission staff have reviewed your application dated October 16, 2006, requesting interim approval to commingle gas production from the Bluesky and Baldonnel zones encountered in the subject well. The Commission designates the zones under application to be within the Wargen field – Bluesky “A” and Baldonnel “B” non-associated gas pools.

This interim approval is intended to allow the acquisition of additional supporting data for a formal commingling application. Commingled production has been approved in the offsetting wells d-97-J (WA# 13527) and b-99-J (WA 10099) for these same pools. The Baldonnel formation has been tested and commenced production in April 2006, at a present gas rate of $8.2 \times 10^3 \text{m}^3/\text{d}$. Bluesky production rates are expected to be modest.

We note that other wells in this area completed in these two zones have shown signs of communication behind casing pipe, likely as a result of fracture stimulation treatments on one or both zones. Please monitor the isolated formations of the subject well during testing operations for possible evidence of communication.

We wish to advise you that your application to commingle production from these zones is hereby granted **interim** approval, under the authority of Section 41 of the *Drilling and Production Regulation*, subject to the following conditions:

1. Production from the Bluesky and Baldonnel formations may be commingled.
2. A supplementary application for commingled production, with supporting test data and gas analysis, must be submitted, with proposed allocation factors for production reporting.
3. AOF and reservoir pressure reports must be filed for the Bluesky zone as per the requirements of sections 84 and 95 of the *Regulation*.
4. Formal approval for commingled production **will not** be authorized until all of the above listed conditions have been met.

Sincerely,

Ron G. Stefik, AScT
Sr. Reservoir Engineering Technologist

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