



November 9, 2004

8260-2600/4100-59070-20

OGC - 04319

Erik Lottermoser  
Engineering Intern  
Devon Canada Corporation  
2000, 400 - 3<sup>rd</sup> Avenue SW  
Calgary AB T2P 4H2

Dear Mr. Lottermoser:

**RE: APPROVAL FOR COMMINGLED PRODUCTION  
DEVON ARL WARGEN d-97-J/94-H-3; WA# 13527**

The Commission has reviewed your application dated October 28, 2004 requesting permission to commingle gas production from the Bluesky and Baldonnel zones in the subject well.

The Commission designates the gas pools under application to be the Wargen field - Bluesky "A" and Baldonnel "D". Both pools contain multiple wells and the subject well appears to be on the eastern edge of both pools. As such the Bluesky in the subject well is marginal with a current production rate of 6.0 10<sup>3</sup> m<sup>3</sup>/d. The Baldonnel although a much better performing well has been on production for several years and production rates have declined to 17.7 10<sup>3</sup> m<sup>3</sup>/d with increasing liquids production. Both pools are sweet gas and pressures are expected to be similar, given an extrapolation from the pool P/z plots. Commingled production is expected to increase the productive life of this well, thereby increasing recoverable reserves.

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 (1070.0-1072.0 mKB) and Baldonnel (1118.0-1122.5 mKB) formations may be commingled.
2. Gas, water and condensate production should be allocated on the Ministry of Provincial 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.

Sincerely,

Richard Slocomb, P.Eng.  
Supervisor  
Reservoir Engineering

**Approval Letters to Industry  
COMMINGLED PRODUCTION**

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<input type="checkbox"/>	Wellfile (originals)
<input type="checkbox"/>	59070-20
<input type="checkbox"/>	Daily
<input type="checkbox"/>	Resource Revenue
<input type="checkbox"/>	R. Stefik
<input type="checkbox"/>	G. Farr
<input type="checkbox"/>	R Slocomb
<input type="checkbox"/>	D. Krezanoski

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