

February 3, 2004

2920-4540/4900-59070-20 OGC - 04036

Steven Burnside, P.Tech. BC Asset Team Dominion Exploration Canada Ltd. 2000, 400 – 3rd Avenue S.W. CALGARY AB T2P 4H2

Dear Mr. Burnside:

RE: INTERIM COMMINGLED PRODUCTION APPROVAL DECL HZ CACHE 04-11-088-22 W6M; WA# 10658

The OGC has reviewed your application dated September 20, 2003 (received October 21, 2003), for temporary approval to commingle gas production from the Coplin and Doig zones in the subject well.

The Commission has designated these pools as the Cache Creek field - Coplin "A" and Doig "G".

The Coplin "A" pool has a long production history as a gas pool. A recent well at B10-27-088-22 (WA 14968) has encountered and is producing an apparent oil leg. The subject well 4-11 is as yet an indeterminate well type, gas or oil, based on limited initial test information. In either case, commingled production may prove the best method for hydrocarbon recovery. A second operator in the Coplin "A" pool has provided a letter of no objection to this application. The gas off-target penalty was waived for the Coplin, in an OGC order dated January 29, 2004. Doig gas production from this well is liquids rich.

Gas compositions and reservoir pressures are dissimilar for the two zones, Coplin sweet gas versus Doig sour gas at lower comparative pressure. However, commingled completion should allow the Coplin zone to be completed and produced in an economic manner, thereby increasing well hydrocarbon recovery. The proposed completion incorporating a sliding sleeve arrangement will allow future zonal isolation, for production testing and avoidance of subsurface cross-flow.

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

- 1. A production test must be completed to establish the AOF, if a gas zone, and initial reservoir pressure for the Coplin zone, and reports filed as per the requirements of Sections 84 and 95 of the *Regulation*.
- 2. A formal application for commingled production must be submitted with supporting test data, gas analysis and proposed allocation factors for production reporting.
- 3. During any period of extended well shut-in, the sliding sleeve must be configured in the closed position for zonal isolation.
- 4. This approval may be modified at a later date if deemed appropriate through a change in circumstances.

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Should you have any questions, please contact Ron Stefik at (250) 952-0310.

Sincerely,

Peter Attariwala, P.Eng.

Supervisor

Reservoir Engineering

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	Resource Revenue	
	R. Stefik	
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