



May 2, 2007

4390-4900/4900-59070-20

R. A. Pachovsky, P. Eng.
Senior Staff Engineer
Duvernay Oil Corp.
1500, 202-6th Avenue S.W.
CALGARY AB T2P 2R9

Dear Mr. Pachovsky:

**RE: COMMINGLED PRODUCTION APPROVAL
DUVERNAY GROUND BIRCH 11-14-78-19 W6M; WA# 21278**

The OGC has reviewed your application dated March 5, 2007 for approval to commingle gas production from the Doig “A” and Doig “B” pools completed in the subject well.

The Doig “A” has been mapped as part of a large multiwell pool while the Doig “B” is a small two well pool. Both zones were perforated, fracture stimulated and production tested individually. At this time only the test gas production data is available. The Doig “A” is a sour gas pool while the Doig “B” is condensate rich sweet gas pool. We concur that commingled production through the tubing will increase tubular velocity thereby lifting condensate from the Doig “B” pool. This should result in maximization of resource recovery from both pools. It should be noted that an off-setting well, 10-14-78-19 W6M, was granted commingled gas production approval from these same two pools. Duvernay is the operator of all wells in both pools.

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 Doig A (2435.0 – 2440.0 mKB) and Doig B (2487.5 – 2490.5 mKB) pools may be commingled.
2. Gas, condensate and water production should be allocated on the Ministry of Small Business and Revenue BC S-1 and BC S-2 forms on the basis of:

	<u>Doig A</u>	<u>Doig B</u>
Gas	40%	60%
Condensate	0%	100%
Water	40%	60%
3. A segregated Doig B reservoir pressure may be required at a future date to enable more accurate reserves determination. The production string has been configured with a sliding sleeve to enable segregated testing.
4. This approval may be modified at a later date if deemed appropriate through a change in circumstances.

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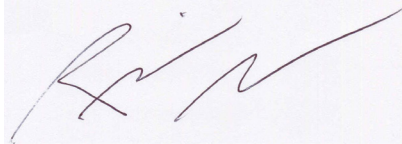
RESOURCE CONSERVATION BRANCH

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

We note that two wells (10-14 and 11-14-78-19 W6M) are completed within one gas spacing unit (GSU) for Doig "B" gas production. Please note that normal gas well spacing and target restrictions specified under Section 10 of the Regulations continue to apply, unless otherwise approved under a Good Engineering Practice (GEP) granted under Section 101. Therefore, only one well is entitled to be produced from the GSU at this time.

Should you have any questions, please contact the undersigned at (250) 952-0366.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Slocomb', is written over a light blue rectangular background.

Richard Slocomb, P. Eng.
Supervising Reservoir Engineering