



October 22, 2008

4390-4900/9021-5000-59070-20

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 TALISMAN SATURN 11-04-080-19W6M; WA# 15894**

Commission staff have reviewed your application dated September 18, 2008, for approval to commingle gas production from the Doig and Montney zones encountered in the subject well. The Commission has designated these gas pools as the Groundbirch – Doig “G” and Heritage – Montney “A”.

The Montney was completed and fracture stimulated in July 2003 and tested at  $39 \times 10^3 \text{ m}^3/\text{d}$ . The Doig zone was completed and fracture stimulated in June 2007 and tested at  $84 \times 10^3 \text{ m}^3/\text{d}$ . The zones have been produced segregated to date. As of July, 2008, the Doig and Montney are producing at rates of  $12 \times 10^3 \text{ m}^3/\text{d}$  and  $5 \times 10^3 \text{ m}^3/\text{d}$ , respectively. The Montney was re-completed in August, 2008 and is expected to produce at a rate of  $13 \times 10^3 \text{ m}^3/\text{d}$  when on-stream. Both zones contain sweet gas and have similar reservoir pressures. Commingled production is expected to maximize production and reserve recovery.

Approval is hereby granted for commingled production from these formations, under the authority of section 41 of the *Drilling and Production Regulation*, subject to the following conditions:

1. Production from the Doig (2362.0 – 2365.0 mKB) and Montney (2411.0 – 2416.0 mKB) formations 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 Doig 30% and Montney 70%. 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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**RESOURCE CONSERVATION**

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