4390-4900/5000-59070-20



OIL AND GAS COMMISSION

March 19, 2008

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: INTERIM APPROVAL FOR COMMINGLED PRODUCTION DUVERNAY HZ GROUNDBIRCH A08-33-78-19 W6M; WA# 23667

The Commission has reviewed your application dated January 31, 2008 for approval to commingle gas production from the Doig and Montney zones encountered in the subject well.

Interim approval is intended to allow the acquisition of additional supporting data to supplement this commingling application. As noted in your application, reservoir pressures should be similar for the two zones. The Doig zone, contained with a GEP approval area for reduced spacing, is expected to be a marginal producer, commingled production is expected to maximize production and reserve recovery.

Commingled 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 Doig and Montney formations may be commingled.
- 2. A supplementary application for commingled production, with supporting test data and gas analysis, must be submitted.
- 3. Monthly gas analysis of the commingled production flow must be obtained for the basis of production allocation, until such time as the composition becomes consistent.
- 4. AOF and reservoir pressure reports, based on available data, must be filed as per the requirements of sections 84 and 95 of the *Regulation*. A combined single AOF may be calculated based on inline production data, within 6 months of the initial production date. Analysis of proposed G-function minifrac data will provide acceptable initial reservoir measurements.
- 5. Formal approval for commingled production *will not* be authorized until all of the above listed conditions have been met.

Should you have any questions, please contact the undersigned at (250) 952-0310 or Kelly Okuszko at (250) 952-0325.

Sincerely,

Ron Stefik, AScT Sr Reservoir Engineering Technologist

RESOURCE CONSERVATION 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