



June 18, 2007

0100-4580/4590/4591-59070-20

Graham Cormack, P.Eng.
VP, Engineering & Operations
E4 Energy Inc.
540, 840 – 6th Avenue S.W.
Calgary AB T2P 3E5

Dear Mr. Cormack:

**RE: INTERIM COMMINGLED PRODUCTION APPROVAL
E4 ENERGY AIRPORT A9-33-83-17 W6M; WA# 22898**

The Oil and Gas Commission has reviewed the application dated June 13, 2007, requesting approval to commingle gas production from three North Pine zones in the subject well. The Commission designates the zones under application to be the North Pine, Pingel and Purple Marker.

None of these zones have been completed yet, however each appears prospective on logs. These zones have not been produced in wells in the immediate area, but available test data would suggest potential reservoirs of limited size. The OGC is concerned that one or more zones may result in oil production, or gascap to a future oil discovery. Furthermore, gas production of a sufficient rate may be significant to understanding future potential in the area. The close proximity of these three zones can result in zones being commingled behind casing after fracture stimulation. All three zones are expected to contain sweet gas, at similar reservoir pressure. Commingled production is expected to maximize production and recovery from these zones, and will allow the completion and production of other formations in this wellbore.

We wish to advise that your application to commingle production from the North Pine, Pingel and Purple Marker zones is hereby granted **interim** approval, under the authority of Section 41 of the *Drilling and Production Regulation*, subject to the following conditions being met:

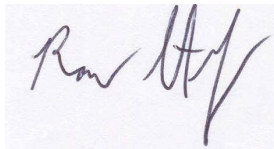
1. The measurement and reporting of the initial reservoir pressure of the commingled zones may be filed in lieu of testing individual zones, under Section 95(7) of the *Regulation*.
2. A measurement of the absolute open flow potential of the commingled zones may be filed in lieu of testing individual zones, under Section 84 of the *Regulation*.
3. A production logging tool must be run to determine the contribution from each zone. Additional future production logging may also be required.
4. Stimulation work-over pressure must not exceed the formation fracture pressure for any of these zones.
5. If the commingled gas production rate exceeds 28.0 e³m³/d, segregation may be required of one of more zones.
6. If the hydrocarbon liquid rate exceeds 2.0 m³/d, with a gas-oil ratio of less than 3,000 m³/m³, segregated production may be required.
7. A supplemental application for commingled production must be submitted, with the results of completion operations, and proposed allocation factors for production reporting.

RESOURCE CONSERVATION BRANCH

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0291
Location: 6th Flr 1810 Blanshard St. Victoria BC

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

Sincerely,

A handwritten signature in black ink, appearing to read "Ron Stefik", is centered on a light gray rectangular background.

Ron Stefik, ASCT
Sr Reservoir Engineering Technologist