

February 13, 2006

6140-4800/5000-59070-20 OGC – 06046

Jeff Rudolf, P.Eng. Reservoir Engineer, Monias EnCana Corporation 150 – 9<sup>th</sup> Avenue SW PO Box 2850 CALGARY AB, T2P 2S5

Dear Mr. Rudolf:

RE: APPLICATION FOR COMMINGLED PRODUCTION APPROVAL ECA Monias 1-10-82-23 W6M; WA# 16536

The OGC has reviewed your application dated February 1, 2006, for approval to commingle gas production from the Halfway and Montney formations in the subject well.

The Commission has designated the gas pools under application to be the Monias – Halfway "V" and Montney "B" pools. The Halfway has been on production through the annulus since January 2005 and has produced 5.5  $10^6 \text{ m}^3$  and is currently producing at 19.3  $10^3 \text{ m}^3$ /d. The Montney has been on production through the tubing since January 2005 and has produced 2.8  $10^6 \text{ m}^3$  and is currently capable of producing only 1.2  $10^3 \text{ m}^3$ /d. The Montney production has declined very significantly and is now having lifting problems. Commingled production is expected to maximize production and recovery from the Montney. Both zones are sour gas. Although both zones do not have similar pressures, EnCana has committed to isolating the Halfway and Montney zones with a plug for individual pressure tests.

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 Halfway (1555.0–1572.0 mKB) and Montney (1932.0–1985.0 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 and BC S-2 forms on the basis of Halfway 95 % and Montney 5%. 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.	Approval Letters to Industry COMMINGLED PRODUCTION Copy 8
Sincerely,	Wellfile (originals) 59070-20 Daily Resource Revenue
Richard Slocomb, P. Eng. A/Director Resource Conservation Branch	R. Stefik G. Farr R Slocomb D. Krezanoski