



November 29, 2002

8260-2600/2700/2900-59070-20
OGC - 02221

David West, P. Eng.
Vice President, Engineering
Midnight Oil & Gas Ltd.
Suite 1449, Ernst & Young Tower
440 - 2nd Avenue S.W.
Calgary AB T2P 5E9

Dear Mr. West:

**RE: APPLICATION FOR COMMINGLED PRODUCTION
MIDNIGHT ET AL WARGEN a-32-C/94-H-6; WA# 14836**

The Commission has reviewed your application dated November 19, 2002 requesting permission to commingle gas production from the Bluesky, Gething and Dunlevy zones encountered in the subject well.

The Commission has designated the gas pools under application to be the Wargen - Bluesky "A", Gething "D" and Dunlevy "A".

The Bluesky "A" pool is in advanced stage of depletion whereas both the Gething "D" and Dunlevy "A" are single well pools at virgin reservoir pressures. Therefore, any cross flow should be from Gething and Dunlevy to Bluesky. All three zones contain mainly sweet gas. Commingled completion should allow potentially marginal Gething and Dunlevy zones to be produced, thereby increasing gas recovery.

We wish to advise you that your application to commingle production from these three pools is hereby approved, under the authority of section 41 of the *Drilling and Production Regulation*, subject to the following conditions:

1. Production from the Bluesky (1091.0-1095.0 mKB), Gething (1128.0-1131.0 mKB) and Dunlevy (1161.0-1165.0 mKB) zones may be commingled.
2. Gas, condensate and water production should be allocated on the Ministry of Provincial Revenue BC S-1 and BC S-2 forms on the basis of Bluesky 45%, Gething 25% and Dunlevy 30%.
3. This approval may be modified at a later date if deemed appropriate through a change in circumstances.

Sincerely,

Peter Attariwala, P. Eng.
Supervisor
Reservoir Engineering

Approval Letters to Industry
COMMINGLED PRODUCTION
Copy 8

- Wellfile (originals)
- 59070-20
- Daily
- Resource Revenue
- R. Stefik
- G. Farr
- P.S. Attariwala
- D. Krezanoski

ENGINEERING AND GEOLOGY BRANC

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