



February 14, 2008

0320-2600/2700-59070-20

Scot Collins, P.Eng.
Senior Engineer
Northpoint Energy Ltd.
Suite 1600, 734 – 7th Ave S.W.
Calgary, Alberta T2P 3P8

Dear Mr. Collins:

RE: COMMINGLED PRODUCTION APPROVAL
NORTHPOINT ET AL ALTARES b-43-A/94-B-8; WA# 19029

Commission staff have reviewed your application dated October 10, 2006, for approval to commingle gas production from the Bluesky and Gething formations in the subject well. Response was delayed pending identified production reporting issues, which have now been rectified.

The Commission designates the gas pools under application to be the Altares – Bluesky “C” and Gething “A”, both presently completed as single well pools. Despite fracture treatments each zones initially flowed at rates of approximately $2.5 \times 10^3 \text{ m}^3/\text{d}$. Both zones contain sweet gas at similar reservoir pressures. Liquid loading precludes the ability to produce zones individually. We understand that production commenced in September 2006 in a commingled state. Continued commingled production is expected to maximize gas recovery from these two zones.

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 Bluesky (892.0 – 898.0 mKB) and Gething (1028.0 – 1033.0 mKB) formations may be commingled.
2. Gas, water and condensate 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 Bluesky 50 % and Gething 50 %. 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) 952-0310.

Sincerely,

Ron G. Stefik, AScT
Sr Reservoir Engineering Technologist

RESOURCE CONSERVATION

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